

EUROPEAN NEWS

Finsider faces EC fines over rescue proposals

BY WILLIAM DAWKINS IN BRUSSELS

FINSIDER, the loss-making Italian state-owned steelmaker, was last night facing the threat of substantial fines from the European Commission following the group's failure to provide details of its latest rescue plan.

Belgium sets record for gap between governments

BY DAVID BUCHAN IN BRUSSELS

BELGIUM yesterday set itself a 108-day record for hiatus between governments, with serious negotiations for a new five-party coalition expected to start next week.

Austrian Chancellor puts off visit to Prague

BY JUDY DEMPSEY IN VIENNA

CHANCELLOR Franz Vranitzky of Austria said yesterday he had postponed an official visit to Prague because of "government changes" which are due to take place in Czechoslovakia.

Health protests in Poland

BY CHRISTOPHER BOBINSKI IN WARSAW

MOUNTING protests by Polish doctors and nurses over the state of the country's health service have prompted the Communist party leadership to examine the issue at a special meeting.

Thatcher visit aims to cement links with Turkey

BY JIM BOGEMER IN ANKARA

NATO SOLIDARITY in the wake of the European missiles agreement and assurances of expanding business for Britain are the most specific goals of the visit by Mrs Margaret Thatcher to Turkey from April 6-8.

revival of Turkey's EC association agreement and Mr Ozal's democratic mandate from last November's general election. However, Mrs Thatcher and her advisers will attempt to come up with a supportive compromise which will satisfy Ankara without pre-empting the European Commission's decision on the application.

work to natural gas. The award is supported by the first ever UK government-to-government concessionary loan to Turkey, valued at \$55.9m.

Bid to end strike in Stepanakert

BY LESLIE COLLIT IN MOSCOW

ONLY BASIC public services operated yesterday in strike-bound Stepanakert, capital of the ethnically disputed region of Nagorno-Karabakh, where Communist party officials visited the homes of strikers to try to persuade them to return to work.

Warsaw Pact presses for N-arms accord

BY JUDY DEMPSEY IN VIENNA

FOREIGN ministers of the Warsaw Pact yesterday ended a two-day meeting in Sofia with an appeal for a treaty to reduce strategic nuclear missiles and an unexpected call for new talks on restricting tactical weapons in Europe.

Genscher call on chemical arms

BY DAVID MARSH IN BONN

THE RECENT poison gas attack on a Kurdish town in the Iranian war, which led to heavy loss of life, underlined the urgent need to ban chemical weapons worldwide, Mr Hans-Dietrich Genscher, the West German Foreign Minister, said yesterday.

Boeing in bid for Iceland air defence deal

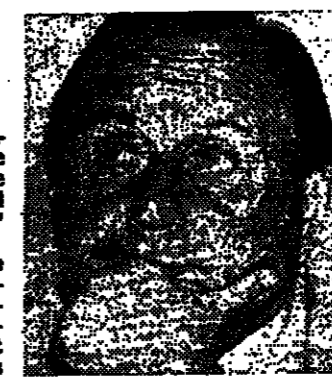
BY GEORGE GRAHAM IN PARIS

BOEING, the US aerospace giant, has formed a joint venture with Thomson CSF of France and Plessey of the UK to bid for the supply of a Nato air defence system for Iceland.

Obituary

Faure: twice Premier of France

MR EDGAR FAURE, twice Prime Minister of France, died yesterday in hospital at the age of 79.



Genscher anxieties

don was summoned to the Foreign Office yesterday to be told of the UK Government's "gravest concern" over reports that chemical weapons have been used in the war with Iran, the Press Association reports.

Obituary

President Mitterrand yesterday paid homage to "this remarkable man who marked the history of our Republic and placed his exceptional talents at the service of peace."

He finished by carving himself a niche as an outspoken maverick able to reconcile both left and right. Once distrusted by the hardline Gaullists, by the end he had no political enemies.

Lubbers heads for victory over Dutch spending cuts

BY LAURA RAUN IN AMSTERDAM

THE DUTCH Parliament has been locked for the past three days in intensive debate over whether to shrink further the country's generous welfare system.

Yugoslavia-IMF talks progress

By Aleksandar Leht in Belgrade

THE HEAD of the International Monetary Fund team negotiating a new standby arrangement with Yugoslavia left Belgrade yesterday after 10 days' talks, with most difficulties reportedly settled.

Judy Dempsey on a minority community - today 80,000 strong - which remains deeply uncertain about its identity

BY JUDY DEMPSEY

The tragedy of the Jewish legacy still haunts Hungary

At a time when Austria is slowly but painfully trying to come to terms with the past, in particular with 1938 which witnessed the destruction of the country's Jewish community, neighbouring Hungary has still openly to confront the tragic legacy of 1944.

about their Jewish past," said one Hungarian writer. "What can we tell them? Where do we begin?"

These questions are now coming to the surface again. But this time, Hungarian Jews have no illusions. Slightly, they will continue to regard themselves as Hungarians. Few, however, can expect deep understanding from the dominant culture.

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ever, made some attempt by finally publishing in 1984 a book called "The Jewish Question in Hungary after 1944" - a seminal work on anti-semitism by Mr Istvan Bibo, one of Hungary's greatest thinkers. He died, unrepentant, in 1979. His book received few official reviews. Nevertheless, it was a cautious signal for other writers to openly discuss the subject.

But official ambiguity towards the past prevails. When, in 1985, the editors of Medvetar, a remarkably intellectually lively journal, devoted an entire issue to Jewish identity in Hungary since the war, the authorities responded by suspending publication.

These questions are now coming to the surface again. But this time, Hungarian Jews have no illusions. Slightly, they will continue to regard themselves as Hungarians. Few, however, can expect deep understanding from the dominant culture.

Baker points to debt conversion as way forward

BY ANTHONY HARRIS IN WASHINGTON

MR JAMES BAKER, the US Treasury Secretary, yesterday threw his weight behind debt conversion packages of the type launched last month by Mexico, despite the limited success of this issue, and clarified the reasons for his own fierce opposition to schemes involving outright debt forgiveness.

He said that the Mexican offer, which allowed banks to convert discounted existing claims for long bonds secured against US Government zero-coupon bonds, showed that many banks were interested in such market-driven exchanges.

"However, they will only entertain them at rates well above the their secondary market values for such debt," he added. "We expect further development of these kind of market debt conversion options."

Claiming that the existing programme of market-directed policies in the debtor countries and market-driven solutions to debt restructuring were achieving notable progress, he denounced any central alternative.

"We should not be misled by the promise of 'global solutions' of one sort or another," he said.

"To be direct, I believe that this path leads both debtors and creditors off the cliff. It would irreparably politicise the debt problem, distracting both from the difficult but essential economic adjustment tasks. It would

EFFORTS TO REVIVE THE FINANCIAL SYSTEM HAVE BEEN MET WITH SCEPTICISM Panama attempts to re-open banks

BY TIM COONE IN PANAMA CITY

THE PANAMANIAN Government is to attempt a reopening of the country's paralysed financial system today under a series of restrictions to prevent a renewed run on bank deposits.

However, some foreign bankers are sceptical of the success of such a move under current conditions.

Under two decrees issued by the country's banking commission yesterday, the 125 foreign and local banks that operate in Panama are being instructed to renew cheque clearing operations as of today on cheques that have been issued since the banks were closed on March 3.

Any outstanding balances between the banks have to be settled by April 8. The National Bank of Panama however will settle any outstanding balances it has with creditors in cheques rather than in US dollars; cash "until funds are withdrawn in the United States."

"To prevent a renewed whole-

sale withdrawal of deposits that triggered the banks' closure at the beginning of the month, only 25 per cent of the current account balances existing on March 3 can be withdrawn during the next 90 days, up to a maximum of \$10,000.

Only 5 per cent of deposit and savings accounts may be withdrawn in the same period, up to a maximum \$50, whilst all time deposits are being rolled over for a further three months before any can be withdrawn.

For many of the foreign banks, time deposits form the vast bulk of their deposits.

Foreign bankers in Panama yesterday expressed scepticism that a reopening of the financial system is feasible under the present conditions. "There has to be cash in the system to support it and that does not seem to exist at the moment," said the manager of one European bank.

No explicit threats have been made against banks that might refuse to reopen, but there is an implicit threat that Government intervention could follow.

General Manuel Antonio Noriega, the head of the country's 16,000 strong defence forces, whose resignation is being demanded by the US Government and a growing opposition movement in Panama, made a defiant speech in the capital on Tuesday night saying "this is not a problem of just one man. It is a problem of Latin American dignity. It is a battle over the last vestiges of colonialism on the continent," referring to the Panama Canal.

His speech was made to a gathering of political parties from across Latin America and the Caribbean in which he appealed for Latin American solidarity with Panama.

General Noriega argues that the US pressure against him is aimed at eventually renegotiating the 1979 Torrijos-Carter treaty which will hand over con-

Sarney avoids harsh action on deficit

BY JOHN BARNHAM IN SAO PAULO

PRESIDENT JOSE SARNEY has once again shied away from taking decisive policy decisions to avert impending recession and hyper-inflation.

After a two-hour meeting with his economic minister this week to discuss emergency spending cuts, Mr Sarney agreed to adopt a few painless measures that are unlikely to affect the Government's deficit.

Mr Mailson Nobrega, the Finance Minister, wants the President to act aggressively to bring the federal deficit down to 3.5 per cent of gross domestic product this year, half the deficit now being forecast for 1988. Mr Nobrega wants immediate action on the public sector wages.

He has already warned that the federal payroll will probably exceed revenues by the end of the year unless wages are cut immediately. Mr Sarney yesterday refused to do that for the second time in one month.

Special aid for Contras

US HOUSE leaders agreed yesterday on new humanitarian aid for Contra rebels and pledged a speedy vote on any future military aid if the Nicaraguan government broke its ceasefire accord with the rebels, Reuter reports from Washington.

The House of Representatives was to vote later on the \$44.7m aid package which would give \$17.7m to the Contras, \$17m to child war victims, \$10m for verification of the 60-day ceasefire.

The agreement on a new vote should Managua cause the ceasefire to collapse met a main objective of Contra supporters.

Venezuelan economy grows 1.7%

By Joseph Mann in Caracas

THE VENEZUELAN economy grew by 1.7 per cent last year, compared with increases of 6.8 per cent in 1986 and 1.5 per cent in 1987, according to revised figures on gross domestic product (GDP) released by the Central Bank.

Even though petroleum exports rose sharply last year to \$9.1bn, compared with \$7.2bn in 1986, overall economic activity slowed down in 1987. This was mainly due to a major devaluation of the Venezuelan currency at the end of 1986, and to a lack of private sector confidence in official economic policies.

Inflation last year reached 40.3 per cent, the highest level in recent history. The Government hopes to keep the cost of living increase to between 15 and 20 per cent this year. Businessmen generally expect very modest growth in 1988, a year when the presidential campaign dominates Venezuela's national scene.

US order books up in February

By Anthony Harris

NEW US ORDERS for manufactured goods declined again in February, after reaching an all-time peak in December. But order books increased for the 12th successive month to reach \$412.3bn. This is equivalent to two months' output at recent rates.

Despite the fall from December, orders in the first two months of 1988 have been 18.7 per cent higher than in the same months in 1987, and order books are now 11.4 per cent up on the year.

Inventories also rose again in February, but the 0.5 per cent increase was the smallest since September. The ratio of inventories to shipment was almost exactly the same as it was a year ago, providing further confirmation that fears of a slowdown enforced by overstocking have been greatly overstated. The inventory problems appear to be concentrated in imported goods, and in distributors' stocks of clothing.

The growth of output and orders in recent months has been almost entirely in the durable goods sector. Orders and shipments for non-durables show little change, and February shipments were close to the average for the last five months at \$97.5bn.

Volcker appointment

Mr Paul Volcker, former US Federal Reserve Board chairman, and David Elliott, president of MBIA Corporation, have been elected directors of MBIA A-P-D, a New York firm. Mr Volcker will also serve as a consultant.

MBIA is the holding company of Municipal Bonds Investors Assurance, a leading insurer of municipal bonds.

Mr Volcker is chairman of James Wolfensohn, a New York investment banking firm.

World Bank loan

The World Bank has approved a \$400m quick disbursing loan to assist banking sector reform in Argentina, Reuter reports from Washington.

"The main objectives of the programme are to increase deposit mobilisation and confidence in the banking system, improve credit allocation, and reduce the cost of credit," the Bank said.

Argentine bombing

Four people, including two police officers, have been injured in a wave of bomb attacks at cinemas in Buenos Aires, Our Correspondent writes.

Although there was little indication of who was responsible, suspicion focused on dissident military officers or their civilian sympathisers.

Surinam and Netherlands reconciliation hopes rise

BY CANUTE JAMES

SURINAMESE Government officials expect the Netherlands to resume aid of about \$100m a year following a visit there this week by Mr Hans van den Broek, the Dutch Foreign Minister.

Mr van den Broek's visit completes efforts by both governments to repair relations which became strained last year after the Netherlands withdrew its ambassador to its former colony following charges by the military Government that the envoy was assisting anti-Government rebels.

The military administration has since been replaced by an elected civilian government. The Netherlands had earlier suspended aid of \$100m per year after the army murdered 15 Government opponents in 1982.

The aid is part of a \$ 1.5bn package over 15 years, and which was promised when Suriname became independent of the Netherlands in 1975. The Dutch

Government earlier said a resumption of the aid will depend on a report from Mr van den Broek following his visit this week.

The Netherlands is concerned about what it said was a deterioration of human rights under the military Government. The foreign minister will be seeking assurances from President Ramsewak Shankar that alleged human rights violations will end.

The renewal of Dutch aid would do much to shore up the economy of the nation of 400,000 people located in north east South America. The economy was badly damaged by an 18-month rebel insurgency which attempted to overthrow the former military Government.

The bauxite mining and aluminium smelting operations, on which the economy is 80 per cent dependent, were temporarily shut down by rebel attacks.



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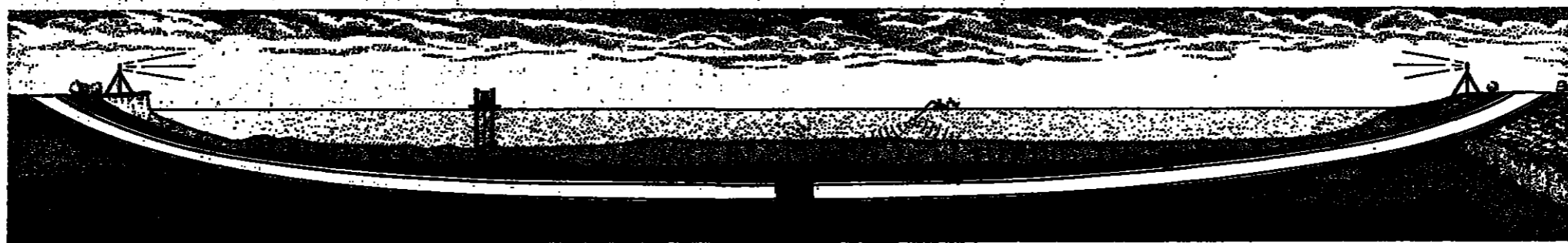


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WORLD TRADE NEWS

Reagan snubbed on trade bill veto threat

BY NANCY DUNNE IN WASHINGTON

HOUSE AND Senate conferees permit US companies to bid on 14 major public works projects worth about \$17bn (\$9.4bn) to construction and engineering companies.

Mr Yeutter said the Administration was pleased with congressional efforts thus far to prime measures from the bill which are objectionable to the President. "We have come a long way up the mountain, but we are not at the peak yet," he said.

But the proposal must still be approved by the full House-Senate conference, which is battling through what members hope will be the final week of work to produce a trade bill.

Important differences still remain in the House and Senate versions of the bill, and congressional leaders acknowledged earlier this week that they might not finish work before the Easter recess.

"We will need a major miracle to finish this week," said Mr Dan Rostenkowski, chairman of the House Ways and Means Committee. "I won't be held hostage by any deadline."

Mr Clayton Yeutter, the US Trade Representative, took a place at the negotiating table to represent the Administration's viewpoint, and announced the settlement of a major dispute with Japan over access to the Japanese construction market.

The Administration clearly hopes that its success at opening markets will permit Congress to ease demands for a tough new law.

The Trade Representative's office said the settlement would

Pacific telephone victory for C & W

By Terry Dodsworth

CABLE and Wireless, the UK telecommunications group, has won a year-long battle to retain its position as the main partner to the Government of the Solomon Islands in the provision of telephone services.

The deal follows an abortive bid by the international division of British Telecom to take over C & W's role in the islands last year.

After coming to an initial understanding with the Solomon Islands Government, BT failed to agree financial terms and pulled out of the contract last October. C & W then succeeded in a new round of bids, principally against the Overseas Telecommunications Commission of Australia, which has been trying to expand in the region.

Some of the details of the C & W agreement still have to be finalized, but the initial contract makes it clear that the UK company's stake in the local company will be reduced from 51 to around 40 per cent.

ERICSSON, the Swedish telecommunications group, has won a breakthrough order to supply the Greek telecommunications network (PTT) with digital AXE exchanges.

The initial order is for nine transit and local AXE exchanges and is worth \$28m (\$15.5m). Further orders are expected while the Greek national network is modernized.

Peter Marsh reports on doubts over an industry's response to a recovery in demand

Dangers in bulk chemicals capacity build-up

"GOD FORBID." This was how Mr Denis Henderson, chairman of Imperial Chemical Industries, reacted recently to the suggestion that the company might want to build another ethylene plant to add to its existing giant 750,000 tonnes-a-year facility in Wilton, Britain.

Mr Henderson's response was triggered by memories of the early 1970s, when the world's chemicals companies embarked on sweeping expansion programmes, only to see growth plans shattered by the international recession around 1980.

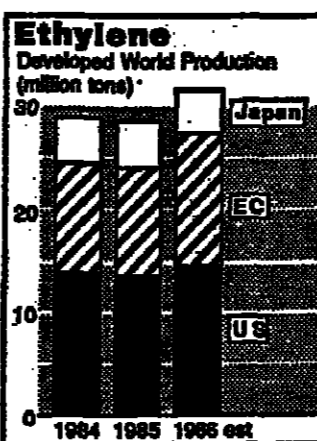
After a rash of plant shutdowns in the early 1980s, demand for chemicals has started once again to rise, so much so that many of the leading chemicals companies have begun planning expensive new plants for basic materials like ethylene.

To the more cautious leaders of the industry such as Mr Henderson, however, many of these schemes are based on overoptimistic demand projections which may well end in a few years in disappointment and more plant closures.

Leading the criticism of the recent run of announcements is Mr Stuart Wansley, a respected chemicals industry analyst at the London office of Morgan Stanley, the US bank.

Mr Wansley has produced a stream of statistics to support his view that many of the world's chemical companies are not only ignoring the lessons of the past 20 years but failing to notice the build-up in capacity in bulk chemicals in the developing world.

The Morgan Stanley analyst



Statistics have been produced to support the view that many Western chemical companies are ignoring the lessons of the past 20 years and failing to notice the build-up in bulk-chemical capacity in the developing world.

chemicals.

According to Mr Wansley's figures, the ethylene production capacity of the developing world is likely to increase by 50 per cent over the four years to 1991, to about 15m tonnes a year, with further expansions likely in the 1990s.

He paints a similar picture for other commodity chemicals - in particular polypropylene, a versatile plastic which has been one of the star materials of the 1980s, with growth in consumption in many countries running at up to 10 per cent a year.

Such a good sales record has encouraged many of the leading polypropylene producers to believe the growth in demand will continue until well into the 1990s, leading them to announce significant capacity increases over the next few years.

According to Mr Wansley, in Western Europe annual production capacity in this material will leap from the current 2.5m tonnes to 3.4m tonnes in

1988 and to 4.1m tonnes next year. Companies which have announced new plants or expansion to existing facilities include Rimont (a US-based company in which Montedison of Italy holds the majority stake) and Shell, the world's largest polypropylene producer.

There is likely, however, to be a similarly high expansion in capacity from the Third World over the same period. All this will result in a world glut in polypropylene in the 1990s, says the Morgan Stanley analyst, leading to price cutting, lower profits and general distress.

"The building of major new (petrochemicals) plants (by Western companies) is - in comprehensible and a thoroughly dangerous and foolhardy course of action, except in some specific instances," said Mr Wansley in a recent trenchant analysis.

As for people within the industry, some acknowledge the problems although many believe the situation is not as bad as Mr Wansley fears.

Most chemicals producers would probably go along with the sentiments of Mr Jim Gordon, chemicals co-ordinator at Shell, who points out that worries about future over-capacity are hardly new for the chemicals industry, which is affected by economic cycles more than most businesses.

"You try to analyse future demand as best you can," says Mr Gordon. "But as for whether you are right or wrong, you have to wait until the time comes and hope you have the competitive advantage to be among the survivors."

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Indonesia abolishes state contracts vetting committee

BY JOHN MURRAY BROWN IN JAKARTA

INDONESIA HAS taken an important step to improve its business climate with the announcement yesterday of the abolition of the much-criticized Government Purchasing Committee, whose job was to approve all state contracts above a value of Rp100 million (\$15,000).

The move which affects projects financed by the state budget and foreign aid, as well as key procurement by foreign oil companies, should give a welcome boost to the country's economy and lower oil revenues, historically the main source of income.

The abolition is also seen as a significant victory for those government technocrats who, along with businessmen, are said to have criticized the committee as too often being used as a lever of political and commercial patronage.

Under the new law, which takes effect from yesterday, all contracts will be assessed by the technical ministry involved and overseen by Mr Rudianto Prawiro, the Economics Minister. This is expected to cut costly delays and speed up project implementation.

The specific task of the committee, the so-called Team 10, was to cut budget waste, while promoting Indonesian companies by awarding contracts to locals.

The old law, which runs to more than 150 pages, provided a blueprint for government procurement which in Indonesia is the main business opportunity for foreign suppliers.

It details tender procedure and as originally drafted, contained a countertrade provision, which called for foreign suppliers to take settlement in Indonesian goods.

However, projects funded by concessional loans and loans from the World Bank and both the Asian and Islamic Development Banks were exempted from this linkage.

India eases curbs on imports

By K.K. Sharma in New Delhi

THE Indian government yesterday announced further liberalization of import and export controls as part of its foreign trade policy for the next three years.

The main object of the long-term policy is the modernization of Indian industry by permitting relatively free imports of capital goods and machinery so that the international competitive position improves and the country's exports can increase.

Announcing the moves yesterday, Mr N.D. Tiwari, Minister for Finance and Commerce, said liberalisation of foreign trade controls had shown results in the growth of exports.

The new policy removes controls on the import of 745 more items, although most of the capital goods so freed are those essential for the economy.

The main stimulus to modernisation in industry comes with the addition of 90 items of industrial machinery in the list of capital goods that can be imported without restriction.

These are mainly machinery used in the electronics sector, the silk industry and tea industry.

Established exporters will now be able to import capital goods, provided they export at least 25 per cent of their production, subject to a minimum of Rupees 10m. Higher exports will qualify for special consideration in the import of capital goods.

The new policy relaxes controls on the import of computers, while controls on import of a number of raw materials, components and consumables have been withdrawn.

Italians and Thyssen sign high-speed train pact

BY ANDREW TAYLOR

IREDA Costruzioni Ferroviarie, the Italian state-owned railway equipment manufacturer, has signed a co-operation agreement aiming at joint development of high-speed train technology with two companies in West Germany's Thyssen group, John Wyles reports from Rome.

The agreement with Thyssen Industrie Haniel and Waggon Union covers the marketing, research, design and construction of rolling stock.

One of the factors determining the alliance is the similarity of design between the high-speed train being developed in West Germany and the Italian version.

Ireda's initiative could be the forerunner of Italian membership of the European high-speed train consortium.

Huaneng International Power Development Corporation, and Mr Eric Parker, Trafalgar House's chief executive, will have overall design responsibility for the power station as well as supplying two 36.2MW gas turbines.

Extra capacity will be achieved by converting waste heat produced by the two gas turbines. Mitsubishi of Japan will supply the steam turbine.

Mr Parker said John Brown had won the order against strong French, German and Japanese competition.

Earlier this year, GEC Turbine Generators of the UK won a contract to design and supply a coal-fired power station at Yue Yang, worth \$155m in equipment supply.

China power order goes to UK

Alstom, the heavy engineering subsidiary of France's Compagnie Generale des Etablissements Industriels (CGE) last month won a \$1.5m order to supply equipment to a coal-fired power station in Sichuan.

West German nuclear engineering companies have also signed an accord with the Peking government on working towards building a joint 100MW high-temperature reactor in China worth DM1bn.

The agreement was announced earlier this month by the Brown Boveri engineering group, part of a consortium which includes Deutsche Babcock, Mannheim, Strabag and the Essen-based Innotech energy technology concern.

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Accordingly, the record date for the payment by the Company of annual cash dividends and interest on Debentures (being a cash distribution pursuant to Article 253-5 of the Commercial Code of Japan) will occur on March 31st and September 30th, in each year respectively. (No interim dividends may be paid during the 3 month financial period pursuant to the Commercial Code of Japan.)

The dividend accrual period will henceforth be the 3-month period from January 1st, 1988 to March 31st, 1988 and thereafter each 3 month period ending on March 31st or September 30th in each year. With respect to any annual cash dividend or interest due on Debentures issued upon conversion, such conversion shall be deemed to have taken effect at the beginning of the dividend accrual period in which it occurs.

The dates on which interest becomes payable in respect of the Debentures remains unchanged as June 30th and December 31st of each year.

As a result of this change in fiscal year, the converting owner of a Debenture may or may not have gained or lost interest during the conversion period. In order to prevent such situation, it has been decided that the measures for adjustment set forth below will be taken into effect on and after April 1, 1988.

With respect to the first dividend on the shares issued upon conversion, such conversion shall be deemed to have been made as of April 1st or October 1st as prescribed below:

Time of Conversion
Apr. 1 - June 30 or Oct. 1 - Dec. 31
Measurement
There will be no interest nor dividend to be paid for the period between January 1st and March 31st or the period between July 1st and September 30th immediately prior to such conversion and in lieu of such interest, a cash adjustment equivalent to accrued interest for such period will be paid by the Company.

Time of Conversion
Jan. 1 - Mar. 31 or Jul. 1 - Sept. 30
Measurement
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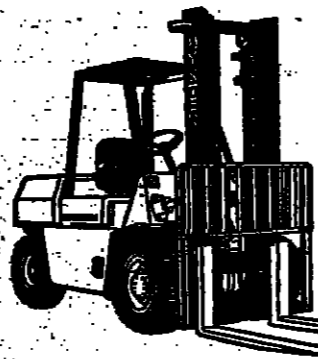
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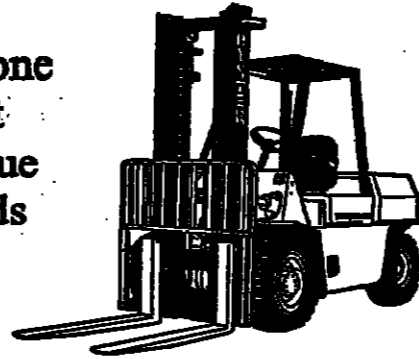
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JAPAN AIR LINES

Hyster refuses to ride the CIM bandwagon



Nick Garnett explains why one of the world's top five lift truck makers sees little virtue in a head-long rush towards computer integrated manufacturing



ARE ALL reasonably complex manufacturing plants missing the boat if they do not gradually link their existing "islands of automation" into an integrated shopfloor production system? Or are there good reasons why some types of manufacturer should back off from such plans?

Many advice agencies in manufacturing, computer suppliers and, not surprisingly, systems integrators believe that companies should at least be moving towards the goal of a cohesive production system in which a single computing brain runs the show.

The paucity of real computer integrated manufacturing (CIM) systems around the world has hardly dented such proponents' long-term enthusiasm. In their view "islands of automation" too frequently exist within a sea of shopfloor chaos.

Nevertheless, Hyster, the US lift truck maker and one of the world's five biggest suppliers of these machines, is one of those which remains sceptical about the benefits, and wary of the problems, in moving towards fully-integrated manufacturing systems.

Hyster, determined to stay in the very competitive lift truck business, has certainly introduced a substantial amount of automation into its worldwide network of eight production plants. But it remains cautious about systems integration.

The family-owned company, based in Portland, Oregon, has sometimes been the butt of complaints and the subject of controversy. It lost friends last year when it closed its fairly new Dublin, Ireland, plant which was designed to make advanced mate-

rial-carrying systems. It has been accused of playing off one government against another for cash grants, particularly over its facilities at Irvine, Scotland, and at Nijmegen in the Netherlands.

However, unlike many other US materials-handling companies, it has not abandoned manufacturing in the US and has steadfastly refused to put its own name on Japanese-made lift trucks, or become a major purchaser of Japanese components.

Hyster, part of the Eco Corporation which is 50 per cent owned by the Swigert family, had sales of \$1.2 billion in 1987. It employs 6,000 and made 20,000 lift trucks last year, claiming, among other things, to be the biggest producer of trucks in Western Europe.

Hyster has plants in Irvine, Nijmegen and Craigavon, Northern Ireland. It also has a plant in the Irvine plant which employs 500 producing 5,500 lift trucks a year demonstrates many of the factory automation features which Hyster has been introducing elsewhere.

Hyster moved into an existing factory in Irvine in 1982. By the early 1980s the plant was grossly inadequate and fell into Hyster's worldwide plant reorganisation programme. That programme was made particularly urgent by a demand around 1981. This helped push Eco's lift truck operations into the red.

"If we had not done what we have done at Irvine, we would still not be making a dime," says Herman Stoopman, vice president for Hyster manufacturing in Europe.

The cost of converting the existing plant at Irvine, carried out between 1984 and 1987, was \$25m. About 90 per cent of this went on new hardware - only five computer numerically controlled (CNC) machines were retained from the plant's original machine pool. Digging up a fifth of the factory's 600,000 sq ft floor-space and other building work absorbed the rest of the investment.

The plant - which produces six models of electric and internal combustion-engined trucks up to 7 tonnes - is not by any means a "wonderland" of automation. It has only one flexible manufacturing line. Its storage areas use high-rise picking machines but they are not automatically controlled. The factory is non-unionised but still uses traditional-style foremen. There

has also been no attempt to integrate separate production areas which have automation equipment.

There is, however, a substantial amount of advanced production machinery, including five flexible machining cells and seven robots (five for welding and two for fabrication). The welding robots are part of large systems which, unattended, turn and manoeuvre truck frames during the welding process.

There are also two automatic guided vehicle systems operating on 2,500 metres of wire.

One system with 13 AGVs covers most of the manufacturing area, the other, with 11 vehicles, acts as a general purpose delivery operation. There are also about 12 screens with keyboards on the shopfloor for keying in production information.

Almost all the equipment is European or American, in line

with a resistance within Hyster to buying Japanese unless Japanese equipment is demonstrably better. Cloos of West Germany has supplied the welding robots, Pflider and Cincinnati most of the cutting machines.

Bill Brown, the plant manager is very worried about the concept of CIM for a plant like Irvine. "If you had a central control facility you would cease to have flexibility," he says. "The connection between the customer and the factory would be hampered. Stocks would also be much bigger than they are now."

One of the reasons for reaching this conclusion is the wide variety of options offered to the customer and which Hyster says it must continue to offer. Although there are only six basic Irvine-produced models, there is a huge range of options for each truck, based on differences in the height

of carrying masts, combinations of axle widths and other variations. There are even three options of seat "softness".

"To satisfy the customer we could be producing a hundred trucks different and with the system we have here this would have no implication for our inventory levels," says one of the company's production managers.

Even with the levels of new equipment at Irvine, Hyster can reel off many of the problems and benefits of factory automation.

For one thing, the implementation of new equipment took longer and was more time-consuming than the company expected. "For a time, managers were called in here, working every weekend," says Stoopman. "That was a real stress period." The company continued to make lift trucks during the investment

programme but found it very difficult to cope, particularly as new models were being introduced and demand was rising on the back of an improving market. By 1986, the programme was running at least three months behind schedule and press visits to the plant were cancelled.

Though the programme was linked to extensive retraining, some changes in habit have been difficult to foster. "Keeping the aisles clean to allow the AGVs to run properly has been a continuous battle," says Brown. A "tickling" system was introduced in which production workers record the fact that they have begun using a particular pallet of components for the first time. These dockets are collected by supervisors as a way of planning supply requirements and inventory control. But it has taken a long time for all production people to do this at the required times. "We have won that battle now," says Brown.

One other, somewhat surprising, problem was getting some production people to trust what the shopfloor terminals were telling them. In particular, information on the screen which made it clear that a component had been machined correctly did not stop the practice of re-inspecting components by less accurate hand-held calibrated tools.

The company, though, points to the substantial benefits of automation. This programme has been an integral part of a general efficiency and cost saving drive by Hyster. This effort has encom-

passed better general management of facilities and the way Hyster lift trucks are designed and built.

For example, the design concept of the XL range of trucks, which Hyster began introducing in the late 1970s, has been incorporated in later models within the range, an important factor in reducing production costs.

When the XL range was being designed the trucks initially incorporated steel plates with seventeen different thicknesses. This was brought down to three thicknesses in order to save machining times. The initial concept trucks used 37 different sizes of hole through which parts and components were attached to each other. This figure has been lowered to five.

However, factory automation has also played a significant part in improving efficiency. Stoopman says that over the past four years inventory turnover at Irvine has accelerated from 2.5 times a year to between eight and ten times, including periods when bought-in components are in transit. Across all Hyster's plants, improved inventory control is saving about \$40m (£21.5m) a year.

In addition, automated machining cells at Irvine have cut machine setting-up times from 30 per cent to between five and six per cent of total factory time. The cost of transporting raw materials within the site has fallen by about 30 per cent.

While Hyster remains suspicious of the CIM concept it does not believe it has reached the end of the road on automation. "It always pays to keep your eye on the manufacturing horizon," says Stoopman.

WORTH WATCHING

Edited by Geoffrey Charlish

BA calls down from the clouds

AIRLINER TELEPHONES will soon be tried out by passengers on British Airways Boeing 747s crossing the Atlantic.

The system, called Skyphone, results from collaboration between the airline, British Telecom International and Racal, the UK communications equipment company. A full service is planned for May 1989 but call charges have yet to be decided.

Passengers will be able to make calls to most phones in Europe, eastern North America, South America, Scandinavia, Africa and the Middle East.

The Inmarsat Atlantic Ocean region satellite will be used, beaming down to the BTI ground station at Goochilly in Cornwall.

Eventually, through earth station relays, most parts of the world will be accessible.

At first it will not be possible to make calls from the ground, since the problem of locating an individual passenger has yet to be resolved. (Paging messages for passengers to ring a number on the ground, or an airborne telex printer are possible solutions.)

Data transmission from passengers' personal computers, however, will be possible when a special interface unit, now under development, becomes available.

Wall-mounted cordless, seat-back, and arm rest phones are to be tried. They will be made by Racal, which has also designed the special aerial to link the aircraft with satellite transmissions.

With the wall-mounted phones, passengers will be able to insert any type of credit card. These will be checked by BTI equipment on the ground. Once the call has been made, details will be recorded and the appropriate card company billed.

Alcatel sinks IBM and DEC differences

IN THE belief that many medium and large companies have both IBM and DEC mainframe computer systems working separately, and that much could be achieved if they could communicate with each other, Alcatel Business Systems has devised a linking computer, the model 8930.

Alcatel believes that as many as 50 per cent of IBM mainframes also have DEC minicomputers and that there are significant advantages in forming the machines into single information systems.

With the 8930, DEC VAX terminals act as if they were connected to the IBM system, and vice versa.

Low-cost answer to text input problems

A GROWING problem for desktop computer users, particularly in the publishing world, is to get existing documents into the computer without re-keying them.

Page reading devices invariably involve costly mechanical scanning systems. Alternatively, hand-held units, which scan lines by line, lack the ability to tackle a wide enough range of fonts, according to Fred Snow, president of Transimage Corporation in Sunnyvale, California.

His company has therefore developed Transimage 1000, which at £2,500 is designed to work into an IBM personal computer and will recognise, at 99.6 per cent accuracy, virtually any standard English upper and lower case letters, numbers and symbols of good quality.

The unit can be used at up to 48 characters per second, and the machine can learn unique shapes and symbols and substitute a normal character, or string of characters, on the PC screen.

The reader unit can match itself to the software in use in the PC so that numerical data, for example, can be made to appear in the right place in spreadsheets. It also has a small set of function buttons that allow any set of key depressions on the PC keyboard to be emulated, thus preventing constant near-movement between the reader and PC keyboards.

Transimage 1000 is available in the UK from Technicon Data of Slough. Agents in continental Europe will be appointed soon.

Chip pulls switch 75bn times a second

SUB-MICRON-sized silicon circuits that can switch on and off 75bn times a second have been developed by the IBM laboratories at Yorktown Heights in the US.

The circuits have to be immersed in liquid nitrogen and are still very much in the experimental stage, but their performance exceeds the devices previously reported highest speeds.

The devices use transistor elements with dimensions measured in tenths of a micron (a micron is a millionth of a metre).

Chips using such circuits could hold several million logic elements that switch 10 times faster than semiconductors in use today.

To fix the microscopic patterns needed for such circuits, IBM uses electron beams which are capable of making lines only 0.05 of a micron wide and have comparable accuracy of placement.

Such tenth-micron silicon devices might be the future basis for machines the size of today's personal computers but with computing power comparable with supercomputers.

Canadians optimise post code usage

IN CANADA, the public is being encouraged to ring up the Canada Post Corporation, free of charge, to verify postcodes in a matter of seconds. The Corporation hopes that as a result postal codes will be used more often and more accurately.

So that telephone operators have quick access to 10m Canadian addresses and their postal codes, all this information has been put on optical disc, a job undertaken by SilverPlatter of the UK.

The British company used a special indexing technique to ensure that the average response time of the system to a query is less than one second.

Users can communicate with the system in English or French.

CONTACTS: BT International: London, 020 2024; Alcatel Business Systems: London, 020 2024; Transimage Corporation: US, 408 252 0111; SilverPlatter: Information: London, 020 2024; IBM: UK office, 020 2024.



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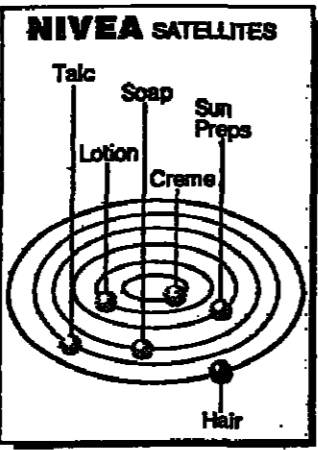
MANAGEMENT: Marketing and Advertising

Product development

The crop of the creme

Philip Rawstorne on the extension of the world-selling Nivea brand

NIVEA - WHICH means "snow white" in Greek - is the biggest-selling toiletry brand in the world with sales of more than \$500m a year at ex-factory prices. But it did not get where it is today without constant grooming. A brand needs refreshment and rejuvenation; and with care it may then be enlarged.



Smith and Nephew, the British multinational, and Beiersdorf, a Hamburg-based company, which together own the Nivea brand, are currently engaged in enlarging it again. . . and profitably. It was Beiersdorf that founded the brand, launching the first product in 1906 in Germany. Beiersdorf's assets in the UK were seized at the outbreak of the Second World War and later acquired by Smith and Nephew, which now owns the brand in the UK, the Irish Republic, Australia, New Zealand, Canada and South Africa.

Nivea soap was launched in the UK in 1911; Nivea Creme came on to the market in its distinctive blue and white packaging, in the 1930s. The brand is sold now in virtually every country in the world; and three years ago manufacture started in China. A close working relationship between the two companies, which developed from the initial common ownership and through later joint ventures, ensured that the brand is marketed as one throughout the world. The brand character or personality is entirely based on Nivea Creme, the most widely known and used product. Advertising over the years has established among consumers a strong association between the cream and "care".

Graham Siddie, marketing and sales director of Smith and Nephew Consumer Products, says: "Our policy in developing Nivea, beyond cream, has been to create a satellite strategy, where Nivea Creme is the core or nucleus and the ancillary products are intrinsically linked to that core at ever widening distances."

The unchanging priority is to ensure the core is sound and strong. "Failure to maintain the brand's modernity," says Siddie, "will result in the eventual demise of the brand image and the ability to extend into new market sectors."

From its core of creme, Nivea has evolved products for further skin-care, currently being test-marketed with a commercial (right) in the Central TV region

ment by Smith and Nephew, coupled with changing consumer attitudes, left it with an old-fashioned image, which in turn led to several years of static sales. "The brand," says Siddie, "was in dire need of rejuvenation." It was relaunched with TV advertisements illustrating - to the beat of rock music - that "Nivea knows how to treat a lady." New, younger buyers were attracted, older customers retained, and on the back of the campaign a new lotion was introduced. Sales volumes of skincare products in the UK company's markets doubled over the following five years.

But, having consolidated the core, the question was how to move out from it. Potential satellite products, says Siddie, were reviewed against a series of agreed principles. The product must correspond with the ideal brand profile. For Nivea, the important associated qualities are care and protection, mild, natural agents, subtle perfumes. It must add to the core position, justify separate marketing investment, and be profitable.

"Our measurement as a division of Smith and Nephew," says Siddie, "is entirely based on profit growth and more critically on earnings per share growth. Any activity, be it new or old product development, is required to meet very tough financial parameters."

Smith and Nephew's next move, into the sun care market, was a natural progression. The link with Nivea skincare, plus constant product and packaging innovation, has given the brand

the number two spot in the sun lotions market. Sales of sun preparations now represent 26 per cent of the brand's sales and a higher share of profits. "Growth in foreign holidays, coupled with consumer and product segmentation, makes this a key area for the future," says Siddie.

With Nivea soap - recently relaunched, and a substantial contributor to the brand's bank balance in terms of both consumer attitudes and cash - this was as far as the range extended 10 years ago.

A move into haircare products was positively shunned by the company, Siddie recalls. But as milder, frequent-wash shampoos evolved, thoughts began to turn to the possibility. It seemed to fit into the Nivea care strategy.

The shampoo was launched in West Germany in 1984, where it has now achieved market leadership, and has been extended throughout Europe.

In the UK, Smith and Nephew began a cautious and sceptical appraisal of the possibilities in 1985. In a lengthy programme of market research, both the concept and the product stood out well, says Siddie. "Of importance was that it did not detract from the central Nivea values."

Simulated test markets, in which random consumers were introduced to the product through a range of advertisements, and in mock-up shops, confirmed the first promising impressions. The brand was launched in the UK 15 months ago. Television

advertisements by Bartle Bogle Hegarty, which took over the account from Saatchi & Saatchi two years ago, currently emphasise the caring approach in a modern "bright lights, big city" lifestyle.

"Results to date have been satisfactory," Siddie reports. Consumer response has confirmed the elasticity of the brand.

But even as this satellite goes into orbit, Siddie has turned inward again, using some of Nivea's £1m advertising spend last year to rejuvenate the core. A new range of skincare products has been launched on test markets in Central Television's area. Television commercials sell these products as "what you put on when you take everything off. More up-market and younger in appeal, the range "could well become the core of the brand in 10 years' time," says Siddie.

By then, the UK Nivea brand may be launched into other more distant orbits. Beiersdorf is already venturing towards new horizons with a range of Nivea men's products.

"Smith and Nephew's view remains cautious. "Extending Nivea profitably," says Siddie, "has been due to having a strong core which is constantly rejuvenated; having sound principles against which ideas are evaluated; accepting that times change and that what may not work today, may work in the future."

But with prudence, pragmatic management and a little market research, Siddie believes that Nivea has a long way to go yet.

IT COST £300,000 to make the latest 30-second commercial for Cadbury's Milk Tray - a figure to match the advertisement's epic feats in bringing chocolates to the British consumer.

Such expenditure, admits Stephen Ward, Cadbury's marketing director, is "a bit of a luxury" but it is after all promoting the company's biggest-selling brand. What he finds disturbing, though, is that the average cost of making a Cadbury brand commercial last year was £130,000 for 30 seconds. That compares with £2,040 per 30 seconds for producing a programme such as *Rumpole*.

Burclays de Zoete Wadd, in a recent review, estimated production costs in 1988 at £284m, or 14 per cent of total expenditure on TV advertising. In 1979, the ratio stood at 19 per cent. Since 1980 year-on-year increases in the costs of producing commercials have averaged 15 per cent in real terms.

One year after an industry working party under former Whitehall undersecretary, Sir Leo Pilatzky, drew up procedures designed to improve business practices and secure better value for money in the production of TV commercials, major television advertisers are still deeply concerned about production costs.

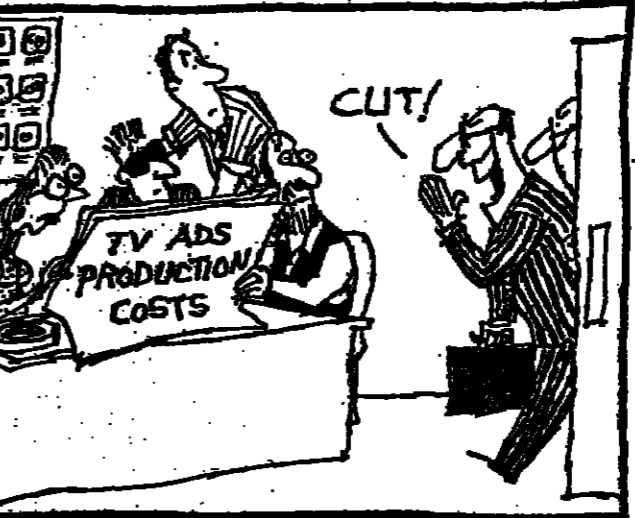
Pilatzky claims that in the nine months after his report appeared in February 1987, production company contract prices actually fell by 1.2 per cent on average, and total costs to the client rose by no more than 2.5 per cent. There is no evidence at all of continuing cost inflation," he says.

Ward agrees that there is more discipline, but still doubts whether advertisers are getting value for money. "Little has been done to bring about the sort of changes that have been common

TV commercials production

Staines reservoir - or Malta?

Philip Rawstorne explains that advertisers doubt that they are getting value for money



in industry in recent years," he says. Overstating and restrictive practices are still common in TV production.

Philip Sheldon, director of advertising for Bass, which advertises 38 brands of beer on TV throughout the year, showed a conference in London last week five of the company's commercials, including the much-praised *Castling Black Label* water-dickie. The four-minute show repre-

sented production costs of £1m - an average of £125,000 for 30 seconds, and remarkably similar to Cadbury's production costs.

Sheldon put the £1m in perspective. "For that, we could do two or three major pub refurbishments, buy a 25-year pub lease in central London, or run a national poster campaign."

Bass's total television advertising costs, says Sheldon, now form 60 per cent of brand expenditure;

production costs are 10 per cent. "TV advertising is a vital part of our long-term strategy," he says. But costs have been increasing at three times Bass's ability to increase price margins or increase market share.

The Institute of Practitioners in Advertising is to begin a series of business training courses later this year for both independent and agency producers of television commercials. There have been undoubted shortcomings in that area - only since Pilatzky has it become a general rule to provide clients with a "ballpark" estimate of production costs with the script for the commercial.

Advertisers cannot understand the apparent reluctance of agencies to put commercial production jobs out to tender. One that did was Cocksburn's for a port commercial, featuring a "Russian" submarine. By seeking bids it achieved savings of at least £25,000, the difference between shooting the advertisement in Malta and Staines reservoir.

But many in the agencies and production companies argue that the client companies are, themselves, often responsible for unnecessary costs. Complaints of lack of planning and consequent rushed production schedules are common; so are criticisms of time-consuming decision-making involving numerous executives, often followed by costly changes of mind.

There is concern, too, that the pressure to cut costs may lower creative standards. Richard Barker, executive creative director of D'Arcy Masius Benton & Bowles, told the conference that the industry should "concentrate on value more than cost." Premium satisfaction should command a premium price; the quality of the advertising reflects on the quality of the product it is selling.

The Pru woos the prudent investor

Philip Rawstorne on a £1m TV campaign

GOOD FRIDAY or April Fools' Day? Despite another nervous week in the stock market, Prudential Holborn, the up-market financial services arm of the Pru, begins a £1m advertising campaign in the London area tomorrow, aimed at attracting investors to its unit trusts, personal equity plans and pension contracts.

The campaign has been held back for a couple of months. The commercial was being filmed in Spain when the London stock market crashed last October. And the Pru thought it prudent to research reactions to that event before starting transmission.

"The research indicated that

consumers are a little more cautious, but are also better informed about investment decisions than they were at the time of the 1974 crash," says Prudential Holborn chief executive, Alan Wren. "Confidence is returning and sales can soon be expected to reflect this."

Among Wren's target audience - the 40-plus age group with £25,000 to invest - attitudes were remarkably sanguine. "Our research showed that, in general, investors are watching and waiting for the right moment to get back into the market," says Nigel Fordham, account director at Prudential Holborn's advertising agency KMP Humphreys Bull

& Barker (KHB&B). "They are more cautious about putting a lot of money down, but they have not been switched off equity investment. There is some resentment about the behaviour of the City in general, but no element of blame is being attached to individual investment companies. Investors are aware of the risks."

Fordham says that the basic message of the advertising campaign - "The sure way to the City is via Holborn" - has gained strength from the current mood of caution. By associating the Pru's investment offering with the parent's established reputation for reliability and solidity, it should appeal to the more tentative investor as well as the more sophisticated operator.

The 60-second commercial, shot for KHB&B by Simon Delaney, who made the *Milnes* condom commercials, will appear initially on LWT and, backed by a national press campaign, will be gradually rolled out over the rest of the country.

It features three vignettes, set in Japan, Australia and the UK, in which consumers looking for the best way to invest are directed through Holborn. It treats its subject lightly - but not too lightly. Fordham says: "You must not treat money as a joke."

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A BREATH OF FRESH AIR AIR CANADA



Treasury queries trade ministry's advertising costs

BY PETER RIDGELL, POLITICAL EDITOR

THE UK TREASURY has formally questioned the size and effectiveness of the sharp rise in the Department of Trade and Industry's advertising budget.

Mr John Major, Chief Secretary to the Treasury, has written to Lord Young, Trade and Industry Secretary, and the latter has been circled to other departments, producing comment from several ministers.

The DTI has been unable to say what its advertising budget will be in the next financial year and Mr Major's action suggests no agreement has yet been reached.

The Treasury is concerned mainly with whether the DTI campaign offers value for money. Other ministers say the Treasury aims to limit the growth of the DTI's advertising and promotion budget. This is expected to be £13m (£24.3m) in the 1987-88 financial year just ending, mainly incurred in the last few months. The expenditure is as much as in the previous five years combined.

The highly unusual Treasury intervention in the marketing policies of a department comes as parliamentary concern grows over the DTI's high-profile media

advertising campaign.

The Commons Public Accounts Committee is considering whether to ask the National Audit Office to hold an investigation and Mr Tony Blair, Labour's trade spokesman, has argued that the advertisements breach Independent Broadcasting Authority guidelines on impartiality and party propaganda.

The main DTI advertising campaigns have been on the enterprise initiative, the action for cities programme and the drive to increase business awareness of the creation of the European internal market in 1992.

Lord Young justifies such expenditure by the need to reach out beyond Parliament and directly to business. The television and newspaper advertisements for the enterprise initiative have apparently generated 50,000 inquiries since January into various aspects such as design.

But a number of MPs and ministers are concerned both about the scale of the advertising and whether its content goes beyond previous Whitehall conventions about being informative rather than propagandist.

Kevin Done and John Griffiths in London examine why the Leyland Bus consortium agreed to sell out

Volvo's acquisition strengthens its transport omnibus

THE RESOLUTE refusal by senior Volvo executives and Mr Ian McKinnon, until yesterday chief executive and part owner of Leyland Bus, to reveal the precise purchase price to be paid by the Swedish vehicle producer for the UK company seemed to say it all.



Undisclosed fare: Mr McKinnon and Mr Nilsson stay silent

Less than 24 hours after British Aerospace had agreed to buy Rover Group for a relative song at £150m, the Swedish group has also picked itself up a former UK state-owned bargain.

Mr Lars Erik Nilsson, president of Volvo Bus Corporation, would describe only as a "multi-million pound" deal, Volvo's outright purchase of Leyland Bus from the management consortium which bought the company from Rover Group in January last year for just £4m. Mr McKinnon himself refused comment.

In an aside, one Volvo executive said the cash agreement, signed late on Tuesday night, would make "very wealthy men" of Mr McKinnon, 41, and five colleagues who between them had held 75 per cent of the share capital of Leyland Bus.

Considering that prior to the management buy-out the UK Government had contributed £58m to wipe out Leyland Bus's accumulated debts and pay for further rationalisation (itself part of the total £3.8m cost to the Government of its planned Rover Group debt and equity write-offs) Mr McKinnon and his colleagues

might themselves appear to be in receipt of a bargain.

In reality, however, they were taking on a company which had lost £50m in the three years prior to their takeover, whose total domestic bus market collapsed from 3,000 units a year to 500 as a result of deregulation; and whose hopes of a life-saving 4,000 buses a year contract from Thailand had only recently been dashed.

What made the deal look even more precarious was that this was not even a case of dyed-in-the-wool bus makers seeking to preserve life as they knew it: Mr McKinnon had been drafted in from the Leyland Trucks subsidiary - itself now

part of DAF of Holland - during one of Rover's management shake-ups the previous year.

Nevertheless, the consortium did start off with some advantages, not least the cleaned-up balance sheet. They could also reasonably feel that the UK market was bottoming out.

Many buses on the UK's roads are more than 15 years old. This is the result of transit authorities waiting to see how deregulation would work and whether there would be a switch to mini-buses before placing substantive orders. These are only now starting to come through, and Leyland has been planning to cater to demand with the launch of a mid-sized

bus, the "Swift".

Additionally, Leyland Bus has been able to maintain turnover with an exports business which still accounts for about 20 per cent of total turnover, and a thriving parts business based on a worldwide Leyland bus population approaching 50,000.

Together, Mr McKinnon said yesterday, they allowed Leyland Bus last year to achieve its goal of break-even and a move into "modest" pre-tax profits during the current year.

Why then did the consortium decide to sell out? According to Mr McKinnon: "For the simple reason that while in the short term it would have been possible for us to survive, I'm not sure that we could have made the needed heavy investment in future products."

Mr Ernst Knappe, senior vice-president of the parent Volvo company, made clear that there would be no such problem under the Swedish company's ownership. He promised "substantial" investment, which is to include the transfer to Leyland's UK plants of production of 1,000 Volvo buses a year starting in 1990, in addition to output of Leyland-branded vehicles.

On this scenario, production at Leyland's Farington and Worthington plants in the north of England will rise from 1,400 units in 1987 to 1,750 this year, 2,000 in 1989 and at least 3,000 in 1990.

Implicit in these production

arrangements is a gradual further diminution in the UK content of Leyland buses, once over 90 per cent. Volvo yesterday gave no details but it expected that more, but by no means exclusive, use will be made of Volvo engines and transmissions.

Volvo is one of the world's leading manufacturers of buses, and in contrast to several competitors Volvo's bus operations have been consistently profitable throughout the 1980s. Last year was clearly its best performance of the decade: operating profits of its bus division jumped by 72 per cent to SKr179m (£16m) in 1987 from SKr104m, while sales rose by 14 per cent to SKr2bn.

Before the Leyland Bus purchase, which gives the Swedish group a bus output dropped by 10 per cent to 4,565 from 5,084 last year - Volvo has continued to advance in Europe, while consolidating its production at its Borås plant in western Sweden.

It has assembled buses in small numbers in the UK and in Belgium, but this stopped last year as plant capacity was needed for truck production. Since 1986 Volvo has manufactured only the bus chassis, buying in body parts from local manufacturers.

Its other important bus plant is in Brazil where the group produced 690 buses last year compared with 2,485 in Borås. Local importers carry out some bus assembly in small volumes in countries such as Greece, Portugal, Australia and Peru.

Despite the successes of recent years - and Volvo claimed yesterday that current order books cover production capacity in Volvo Bus through to January 1989 - the company has suffered some reverses.

It was forced to close down its loss-making US bus manufacturing operations in 1986, less than four years after the plant was established at Chesapeake, Virginia. Demand for city buses had halved since 1980, and Volvo could not cope with the 25 per cent cut in prices that had resulted from the big reduction in subsidies to the public transport authorities.

The bus operations are only a small part of the total Volvo group with bus division sales accounting for only 2.3 per cent of group turnover of SKr92.4bn in 1987. They are dwarfed by the car and truck operations, and are also smaller than the group's operations in food, trading, and marine and aero engines.

Volvo entered the US truck market in 1981 through the takeover of the assets of White Motor Corporation, which was on the brink of financial collapse.

Defence procurement 'still beset by deep inefficiency'

BY RICHARD EVANS

BIG IMPROVEMENTS in procurement practices are to be introduced by the Ministry of Defence following an inquiry which has found a continuing failure to achieve value for money.

The inquiry, launched by the Government's Efficiency Unit following the cancellation of the Nimrod early warning radar system in December 1986, found that despite improvements in recent years, deep managerial problems remained.

It found weaknesses including bureaucratic and unwieldy chains of command in overseeing weapons contracts, lack of overall control in the MoD's research

establishments, and a failure to learn from international experience on the control of defence projects.

Lord Trefgarne, minister responsible for defence procurement, said the Government welcomed the report. Most of its recommendations will be accepted.

The report, called Learning from Experience, accepts that recent reforms were necessary and important, but they did not yet provide "a degree of control commensurate with the complexity of the task and the sums of money being spent." The UK's defence procurement bill is around £50m a year.

Government moves to restrict 'cabotage'

BY NICK GARNETT

THE GOVERNMENT last night introduced enabling powers into the Merchant Shipping Bill which would allow it to take retaliatory action against European Community shipping companies in the running dispute over coastal trade.

Mr Paul Channon, Transport Secretary, warned last month that Britain would restrict other EC shipping lines' rights to practice so-called cabotage along British coasts if they did not agree to liberalise coastal shipping throughout the Community. Cabotage is trade between ports within a country.

The Government is seeking this liberalisation at a meeting of the EC Council, probably in June.

The enabling powers, in the form of a two clause amendment to the bill which had its third

reading last night, would allow the Government to ensure that any shipping company practising cabotage in the UK must have an operating base there. This would have to be more than an agency.

An offending shipping company would be liable to a fine of £50,000 on summary conviction and, on indictment, offenders would face up to two years imprisonment.

Mr Channon said the Government wanted the liberalisation of all coastal trade in the EC and the enabling powers would be used only if attempts to achieve liberalisation failed.

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By: The Chase Manhattan Bank, N.A.
London, Agent Bank



March 31, 1988

UK NEWS

Mortgage rate cut heralds new offensive in lending

BY DAVID BARCHARD

THE HALIFAX building society and Lloyds Bank yesterday cut their mortgage rates by half a percentage point each, making it likely that other lenders will have to bring their mortgage prices down in the near future. Halifax, Britain's largest building society with around 20 per cent of the building society mortgage market, reduced its mortgage rate from 10.3 to 9.8 per cent in a move which appeared aimed at winning business away from banks and the new mortgage lending institutions which have entered the market in the last three years. The rate is the lowest the Halifax has offered for almost a decade. Lloyds Bank, the smallest of the four big retail banks, cut its mortgage rate from 10.5 to 10.0 per cent, effective from April 7. The decision to cut rates came as something of a surprise to the market yesterday, though it comes a fortnight after the banks' base rate was cut to 8.5 per cent. For the Halifax, however, a more important consideration appears to be the need to win back the building societies' share of the mortgage market at a time when they are flush with savings deposits. The Halifax's new rate places it squarely within the 8.5 to 9.5 per cent range charged by the new

lenders which have been making serious inroads into the building societies' traditional mainstream business over the last two years. The new rate applies from April 1 for new borrowers and from May 1 for existing mortgages. Under its terms, the monthly cost of a new £30,000 loan will be £188 as against the previous £193 and £221 as against £228 previously for a repayment loan, for a basic rate taxpayer. Although the other two large UK building societies, Abbey National and Nationwide, said yesterday that they had no plans to cut their mortgage rates at present, they may have no option but to cut their rates before long in the wake of Lloyds' decision to follow Halifax. Both societies charge 10.1 per cent for their mortgages, 2 percentage points less than Halifax and so are under less immediate pressure to go down. The other clearing banks indicated yesterday that they were reviewing their rates closely and suggested privately that further cuts might be imminent. Conditions are currently favourable for the building societies to launch an offensive against their rivals in the mortgage market. Since the stockmarket crash last October, savings have been

flowing at record levels into building society deposits and all the societies have large amounts of funds available for lending. Halifax may have found it easier to cut its rate at this point because its mortgages were slightly above prevailing building society rates and it was losing business as a result. "We will certainly be looking very closely at our rates" said Mr Terry Adams, chief executive of the Skipton Building Society yesterday. "The banks will be hard put to beat this rate." However, Mr Adams gave a warning that lower mortgage rates could herald a reduction in investment rates. Mr Richard Lacy, the chief executive of the National Home Loans Corporation, the largest of the new lenders, which will be offering a 9.75 per cent from today on its Labor-linked Blue Chip mortgage products, said that customers preferred mortgage companies because of their speed of delivery and better service. He said: "We don't feel we have to respond to gimmicks, but we think we will still offer a lower mortgage price." Another recent entrant to the UK market, the Mortgage Corporation, said that it had cut its mortgage rate from 9.9 to 9.75 per cent in response to the Halifax's move.

Chips group launches plan to cut 400 jobs

By Terry Dodsworth, Industrial Editor

BRITAIN'S largest semiconductor manufacturing group, created only a few months ago by Plessey's takeover of the Ferranti chip manufacturing activities, has launched a large-scale redundancy programme which will result in about 400 job losses. The cuts, involving about 13 per cent of the combined group's 3,000-strong workforce, will be mainly centered on the former Ferranti operations at Oldham in Lancashire, where 240 jobs are to be eliminated. Other posts will be trimmed from Plessey's own semiconductor plants at Swindon, in Wiltshire, and Rotherham, near Plymouth. Since taking over the Ferranti business in a £20m deal last November, Plessey has been expected to take steps to reduce costs. The Ferranti chip business as a whole is believed to be roughly breaking even at present on sales of \$80m a year. Mr Doug Dunn, head of Plessey's fast-expanding semiconductor operations, said yesterday that Ferranti's operations would be profitable in the next financial year.

Thatcher announces enterprise plans for sites in Scotland

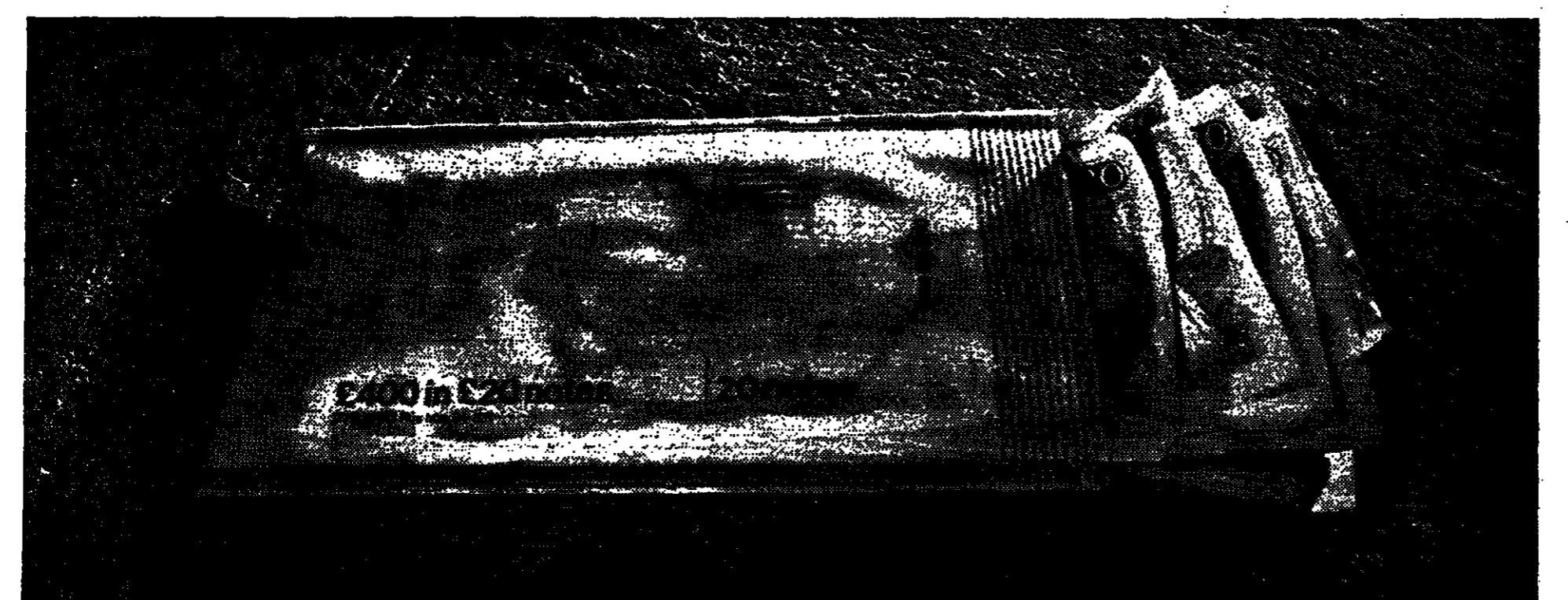
BY JAMES BURTON, SCOTTISH CORRESPONDENT

MRS MARGARET THATCHER, the Prime Minister, yesterday set out to revive spirits in Dundee - plunged into gloom by the collapse of Ford's project to build an electronics plant in the city - by announcing the go-ahead of a plant which is set to employ 300 people by 1992. Earlier on her one day visit to Scotland, she announced the setting up of an enterprise zone - Scotland's fourth - at Inverclyde, the area centred on Greenock which has been devastated by the virtual collapse of shipbuilding. The Prime Minister used her visit to attack the Labour Party and some of the trade unions over the Ford debacle. Ford said earlier this month that it was abandoning its Dundee project, which would have employed up to 1,000 people, because of the trade unions' failure to agree to a single union agreement. Although she praised Mr Gavin Laird, general secretary of the AEU engineering union which offered Ford a single union agreement, she said she could not understand how "in this modern age there are some unions more concerned with demarcation, restrictive practices and sectional interests than in jobs for their fellow citizens". Mrs Thatcher announced that Shield Diagnostics, a company financed by venture capital funds and other investors, would set up a £4m plant on the Dundee Technology Park, close to where Ford had been due to build its factory. Shield Diagnostics which was founded five years ago by scientists from Dundee University Medical School, is to research, develop and manufacture kits for diagnosing rheumatoid arthritis and other illnesses, and for predicting the risk of heart attacks. The sites for the 280 acres enterprise zone, to be announced later this year, are likely to include a mixture of high amenity green field and water front land, including a 45 acre former shipyard which the Scottish Development Agency purchased from Scott Lithgow.

PENDULUM arbitration, the strike-substitutes mechanism at the heart of controversial strike-free deals being signed by some unions, has been favoured at a Sanyo factory in Suffolk, on the east coast of England. It is only the third example of a pay review under a strike-free deal going to arbitration. The unions have won two out of the three cases, and in the third the employer made an offer nearer the unions' position after winning the arbitration. Leaders of the EFTU electricians' union, which pioneered strike-free deals and has a single-union deal with Sanyo, claimed the result rebutted other unions which attacked the EFTU's stance. Under pendulum arbitration, the arbitrator has to choose either the union's final claim or the employer's final offer. more than £4m in equity funding from a consortium of venture capital and other investors from both the UK and North America. They include St Ventures, Alan Patrick Associates, British Linen Bank and Baring Brothers, Hambrecht and Quist. Earlier in Greenock, Mrs Thatcher said that 3,000 extra jobs could be created at Inverclyde over the next 10 years through the designation of the enterprise zone. Companies which build plants in enterprise zones are exempt from business rates and enjoy 100 per cent tax allowances on buildings.

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UK ECONOMIC INDICATORS

Table with multiple sections: ECONOMIC ACTIVITY, OVERSEAS MARKET, INTERNATIONAL TRADE, FINANCIAL, and INFLATION. Each section contains data for various quarters and years, with columns for different indicators.

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FT LAW REPORTS

Panel fair to Guinness

that Guinness and Pipette were acting in concert.

On April 18 1986 a letter from Pipette to Guinness director, Mr Ward, stated that it had, on his instruction, bought \$75m-worth of Distillers shares and that Guinness had undertaken to repurchase the shares within 90 days. The letter appeared to be countermanded by Mr Ward.

On December 1 inspectors were appointed by the Secretary of State for the Department of Trade and Industry to enquire into and report on Guinness's affairs.

The Guinness board was reorganised in the middle of January 1987. The new board had doubts as to the authenticity of the Pipette letter of April 18.

Unaware of the Pipette letter, the Panel issued a statement on January 30 1987 that because DTI inspectors had not yet reported, it must await the outcome of their enquiries before publishing findings of its own.

On May 11 the Panel became a "designated authority" by the Financial Services (Disclosure of Information) (Designated Authorities) No 2 Order 1987. The effect was to permit disclosure to the Panel by the DTI of information to which it would not otherwise be entitled, providing the disclosure was to enable the Panel to discharge its functions.

That enabled the DTI to provide the Panel with a copy of the Pipette letter. It was learnt that the inspectors' report would take much longer than anticipated. The Panel decided to re-examine the takeover. On July 31 its Executive told Guinness to be prepared for a panel hearing on September 2.

On August 12 Mr Walker-Arnot for Guinness sought deferral of the projected hearing for a limited time or at least until the inspectors' report became available. The Panel refused.

Mr Robert Alexander QC was Chairman of the Panel. In his draft reasons he said that the material to be put before the Panel on September 2 suggested there was a case to be enquired into as to whether Guinness and Pipette acted in concert to make purchases resulting in inequality to Distillers shareholders.

At the September 2 hearing Mr Walker-Arnot applied again for an adjournment. He was unsuccessful. The hearing took place. Oral evidence was given on behalf of the Executive, Guinness, Morgan Grenfell (merchant bankers to Guinness), and Guinness.

A number of persons who could have had some very revealing things to say were conspicuous by their absence.

The Panel concluded that Guinness had infringed rule 11.1 of the City Code on Takeovers and Mergers, in that the existence of a concert party between Guinness and Pipette had been established.

Rule 11.1 provided that where 15 per cent or more shares were purchased for cash the offer should be made to all shareholders of the company which was the subject of the takeover bid.

The Code did not have the force of law, but those who wished to take advantage of the facilities of the UK securities markets conducted themselves according to its rules.

Guinness applied for judicial review. It sought declarations that the refusal to adjourn and the decision that it had infringed rule 11.1 were unfair and unlawful.

Mr Oliver for Guinness and Mr Buckley for the Panel agreed that the Panel was obliged to act fairly according to natural justice.

Mr Oliver submitted that fairness in the present context required that the hearing be adjourned at least until after publication of the inspectors' report. He maintained, rightly, that there was no precedent for an investigation held so long (16 months) after the takeover bid, and none for a decision that a concert party existed without evidence from the persons alleged to have composed it.

It could not be denied that the main actors on the Guinness side were not before the Panel; that the Panel relied to a substantial extent on hearsay evidence; and that the main and most important inferences drawn were from documents, the makers of which the Panel neither saw nor heard.

Granting or refusing an adjournment was very much a matter of discretion for a judge or tribunal such as the Panel.

There was no difficulty in accepting that a short adjournment for some weeks was required to give Guinness the fullest opportunity to meet various matters. Whether additional material would have become available was doubtful, but the chance to ascertain whether such material was to hand could have been granted.

If it had been possible to conclude that a short adjournment would have done tellingly more to allow Guinness to prepare a better presentation, there would have been no hesitation in saying there was unfairness or breach of natural justice.

Lack of consideration there was, but that did not amount to breach of natural justice.

Mr Oliver maintained that the refusal to adjourn until publication of the inspectors' report was plainly unreasonable and unfair. For so, Guinness has no evidence of its own to tender to the Panel. The only persons with power to compel evidence were the inspectors, who might provide valuable information which would have the effect of reversing the Panel's decision.

There was nothing irrational or unreasonable about the Panel's refusal to adjourn. The Panel weighed in the balance all proper considerations, including the kind and scope of available evidence, and it approached those considerations with the right legal principles in mind.

Mr Oliver said the Executive denied a fair trial to Guinness and reached a decision which was unjustified on the evidence. He said no reasonable Panel could have reached it.

Judicial review was not an appeal from a decision, but a review of the manner in which the decision was made - see *North Wales Police (1982) 1 WLR 1155, 1174*. One must therefore look at the manner in which the decision was made, comprehending not only the procedures adopted, but also the quality of the evidence at the Panel's disposal and Guinness's capacity, on that evidence, to cast doubt on the allegation that the takeover was effected by a concert party in breach of the Code.

Guinness was not denied its right to be treated fairly. There was no procedural unfairness. There was sufficient evidence to allow the Panel to decide as it did, having drawn a number of necessary inferences to that end.

The applications were dismissed.

Lord Justice Russell and Mr Justice Tudor Evans agreed.

For Guinness: David Oliver QC and Patrick Elias (Herbert Smith); For the Panel: Roger Buckley QC and Paul Walker (Durrant Plesse)

Rachel Davies
Barrister

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NOTICE TO HOLDERS OF

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NOTICE IS HEREBY GIVEN THAT, effective on April 1, 1988, the Register will change its English name to Nikon Corporation. Each new entry to the Register will contain the new name. The Debentures will not be stamped or exchanged for new Debentures.

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THE FORMOSA FUND

Further to the announcement of March 15, 1988 by Kwang Hua Securities Investment & Trust Co., Ltd. with respect to the Formosa Fund, the City Bank of Taipei, custodian of the Fund, will remit the distributable investment profits for 1987 to Morgan Guaranty Trust Company of New York, Brussels Office, on March 31, 1988 for distribution to the holders of international depositary receipts.

The accountants of the Formosa Fund, Chiang, Lai, Lin, Touche Ross, offer the following information for the benefit of the holders of units and international depositary receipts that are not residents of the Republic of China. Pursuant to the Statute for Investment by Overseas Chinese and the Statute for Investment by Foreign Nationals, dividends paid to non-residents are taxed at the reduced rate of twenty percent (20%) per annum. The tax already levied against the Fund's realised gross income for 1986 and 1987 is NT\$16,854,995. Pursuant to the Income Tax Law, such tax must be withheld by the tax withholder, which is Kwang Hua Securities Investment & Trust Co., Ltd.

For the convenience of non-resident holders of units and international depositary receipts, it is further noted that the amount of income available for distribution following deduction of the income tax and other expenses (please refer to prior announcement for such expenses) is NT\$17,283,403. Of such amount, NT\$1,676,903 has been retained as a reserve, and NT\$15,606,500 or NT\$6.5 per unit will be distributed as the investment profits.

The original of this announcement is filed for reference at the office of the Fund manager, Kwang Hua Securities Investment and Trust Co., Ltd., and may be consulted to verify the accuracy of this copy.

Company Notices



AECI Limited

(Incorporated in the Republic of South Africa)

Notice to Preference Shareholders Dividend No 100

Notice is hereby given that on 9 March 1988 the Directors of AECI Limited declared a dividend at the rate of 5.5 per cent per annum for the six months ending 15 June 1988 payable on that date to holders of preference shares registered in the books of the Company at the close of business on 22 April 1988.

The dividend is declared in United Kingdom currency and cheques in payment will be posted from the offices of the transfer secretaries in South Africa and the United Kingdom on 15 June 1988.

Dividends payable from Johannesburg will be paid in South African currency at the rate of exchange ruling on 16 May 1988.

In respect of shareholders whose addresses in the share register are outside the Republic of South Africa, the dividend is subject to the deduction of non-resident shareholders' tax in terms of South African law.

Dividends payable from the United Kingdom office will be subject to such tax deductions as are prescribed by United Kingdom legislation unless a certificate exempting the shareholder concerned from such tax deduction is received before the closing of the registers.

Any change of address or dividend instruction must be received before the closing of the registers.

The transfer books and registers of members in Johannesburg and the United Kingdom will be closed from 23 April 1988 to 6 May 1988, both days inclusive.

By Order of the Board
M J F POTGIETER
Secretary

Carlton Centre
Johannesburg
31 March 1988

Transfer secretaries:
Consolidated Share Registrars Limited
40 Commissioner Street, Johannesburg, and
Hill Samuel Registrars Ltd
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NOTICE OF MODIFICATION OF WARRANTS

MITSUBISHI PLASTICS INDUSTRIES LIMITED

US\$30,000,000 2 1/4 per cent. Guaranteed Notes Due 1991

US\$50,000,000 1 1/4 per cent. Guaranteed Notes Due 1992 with Warrants to subscribe for shares of common stock of MITSUBISHI PLASTICS INDUSTRIES LIMITED

NOTICE IS HEREBY GIVEN, in accordance with the Instruments by way of deed poll executed on 31st July, 1986 and 18th June, 1987, respectively, by Mitsubishi Plastics Industries Limited (the "Company") in connection with its issue of bearer warrants (the "Warrants") to subscribe up to \$4,684,500,000.00 and \$7,267,500,000.00 for shares of common stock of the Company, respectively, that the Company has executed two Supplemental Instruments by way of deed poll dated 30th March, 1988 modifying the terms of the Warrants. From 30th March, 1988 the Dividend Accrual Period defined in Condition 4 of the Terms and Conditions of the Warrants shall mean the three-month period from 1st January, 1988 ending on 31st March, 1988 and thereafter each six-month period ending on 31st March or 30th September in each year.

This modification is made consequent to a resolution dated 30th March, 1988 of the general meeting of the shareholders of the Company changing the fiscal year of the Company.

Shares issued upon exercise of any Warrant during the period from 1st January, 1988 to 31st March, 1988 shall entitle the holders thereof to participate in full in any dividend on the Shares with respect to the entire three-month Dividend Accrual Period from 1st January, 1988 to 31st March, 1988 in accordance with Condition 4 of the Terms and Conditions of the Warrants.

Mitsubishi Plastics Industries Limited
Toshio Muramatsu
President and Representative Director
Mitsubishi Bank Limited, London Branch
As Principal Paying Agent

31st March, 1988

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14. At all times taking the balanced view.

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is to strike a balance (on one hand you can't be too lenient, on the other you mustn't suggest changes that are largely impractical). And with S.W.I.F.T.'s huge network (processing hundreds of millions of financial transactions each year for 2,500 banks across 54 countries) the sheer implementation of ideas is crucial.

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MERCANTILE GROUP

ARTS

Victoria and Albert Museum/David Piper

The nostalgic visions of a man with a mission

The mid-nineteenth century was somewhat thronged with genre painters of whimsical anecdotes, and with landscapists treading pedestrianly clear of the more dangerous achievements of Turner and of Constable, or warily skirting the brilliantly polychrome revelations of the Pre-Raphaelites...



'Parkhurst Woods' by Richard Redgrave

Redgrave's landscapes, which he painted right through his career, have not yet attracted so much attention, though what for me is his masterpiece blends a couple of genres and story into a landscape of sunlit Surrey hills...

Involved with the dynamic Sir Henry Cole in the affairs of the Great 1861 Exhibition, he became the first Keeper of Art in what was to be the Victoria and Albert Museum, and later his responsibilities were increased when he took on the Surveyorship of the Queen's Pictures...

Alkan centenary/Wigmore Hall

David Murray

A large and highly appreciative audience gathered on Tuesday to hear Charles-Valentin Alkan's centenary concert at Wigmore Hall...

The Teddy Bears' Picnic/Chester

B.A. Young

Some of the actions of the top Russian politicians were seen immediately to be bizarre - not only of Stalin himself but of his minions and his successors...

Muti/Festival Hall

Max Loppert

Riccardo Muti, sadly absent from London in recent times, made a welcome return on Tuesday to conduct the London Philharmonic Orchestra and Choir in a programme of Cherubini and Beethoven...

Exit Entrance/Donmar Warehouse

Martin Hoyle

Aidan Matthews is best known in London for The Diamond Body, a haunting monologue about an androgynous Greek island. The play was done in Shepherd's Bush a couple of years ago...

Malcolm Douglas and Ingrid Craigie

surrounded by the glow of church candles about to continue the repetitive round of existence as the old people he had next door, Ingrid Craigie is a sharply intelligent Helen...

Arts guide

Exhibitions

WEST GERMANY
Berlin, Martin-Gropius Bau, Joseph Beuys (1927-1986). This is the first complete show of Beuys' works ever presented in Berlin...

PARIS
Grand Palais, Duchamp. From New York, an exhibition of 72 paintings retraces the artistic development of one of the great masters of the Spanish Golden Age...

MARCH 25-31
NEW YORK
Metropolitan Museum of Art. Every phase of Fraagonari's art is included in this, the first comprehensive exhibition of his works that capture France in the last decades of the ancien régime...

Saleroom/Antony Thorncroft Record for Feininger

Tuesday night was Sotheby's turn to sell top quality Impressionist and modern paintings to an expectant market. This was one of Sotheby's best auctions in this sector...

Cox joins ROH team

The Royal Opera House has appointed John Cox to the newly-created position of Production Director, completing the new team which will develop the house's all future artistic policy...

FINANCIAL TIMES

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Thursday March 31 1988

The Jackson factor

GEORGE BUSH is not Ronald Reagan. It is mostly because of the President that Mr Bush now stands assured of the Republican Party's nomination, but there is a world of difference between winning primaries in one party and carrying the country in a general election.

For this reason, beyond all others, many American Democrats have long been convinced that the Vice President is eminently beatable in November. They have current evidence to bolster this confidence. A poll last week by the New York Times suggested that one in five of those who voted for Mr Reagan in 1984 would support a Democrat this year.

But, on the second hypothesis, a Jesse Jackson unreservedly waving the flag for a Democratic ticket in the autumn could make the difference between success and failure. He has finished first or second in two thirds of all the primaries and caucuses so far decided. Mostly this is because he has been able to mobilise minority support; only in the special circumstances of the caucuses in Michigan, a depressed state with a strong sense of resentment against external competition, has his share of the non-black vote exceeded 10 per cent.

Mr Jackson's strength could transcend racial boundaries. More than any other candidate from either party, he is talking about issues that affect the common man and woman. The Reagan years may have created more wealth for many Americans but they have not much reduced the underclass, which cuts across colour lines. This constituency, no longer the automatic fiefdom of the Democrats and now poorly represented by the trade union movement, is there to be galvanised.

Liability and asset
He is, at once, both a liability beyond calculation and a potential asset beyond value. On the first, his track record is a ticket, or the incorporation of his policies in the platform, would surely hurt the party in the election. Even if the US were ready for a black candidate in either slot, it certainly would not be a

The future for local democracy

A COMPANY that faced a competitive threat in all its markets and a simultaneous upheaval in its financial structure would be exceedingly apprehensive. Local government is in precisely that position. On the financing side, the Thatcher Government remains determined to replace domestic rates by the community charge and assume responsibility for the new uniform business rate. In the process, it will raise the proportion of local spending financed centrally from under half to about three quarters.

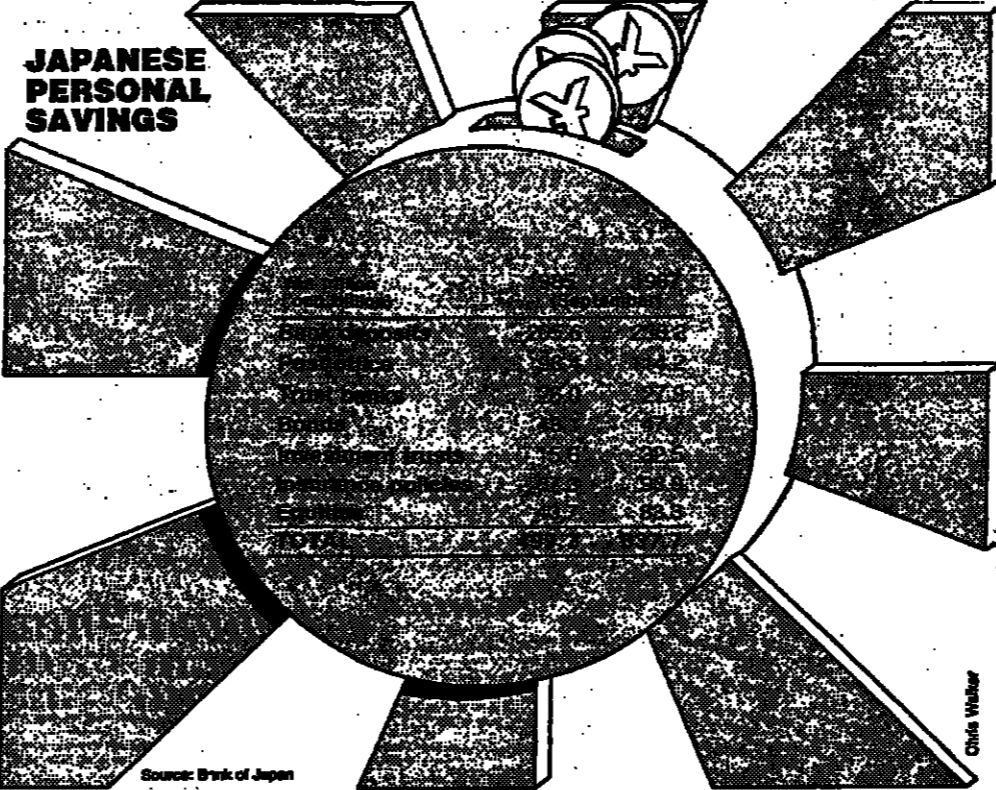
many authorities have laid excessive emphasis in the past on the "political" aspects of their task, and too little on the humdrum necessity of meeting community needs as efficiently as possible. Indeed, if authorities had performed their basic tasks more effectively, they would be more popular with the electorate (turnout in UK local elections is only a little over half that in the rest of Europe) and less threatened by central government.

Control and constraint
The Audit Commission analysis is fine as far as it goes. Better management and greater responsiveness are crucial, but they cannot be expected to compensate for the shortcomings of central government. Successive Thatcher administrations have failed to reform local government; instead they have seen it almost exclusively as something to be controlled and constrained. Indeed, the point has been reached where central government is actively seeking ways of excluding local government from decisions affecting local communities - this is a feature of some of the inner city initiatives.

Humdrum necessity
Such recommendations sound a little trite. Local government, councillors will complain, is more than a collection of small companies; its guiding star cannot be the latest issue of the Harvard Business Review. This is true, but it is also the case that

Stefan Wagstyl on an upheaval in Japan's personal savings market

Out comes the buried treasure



JAPAN'S financial companies are fighting as never before for the money of individual investors. Banks, brokers and life insurance companies are scrambling to take advantage of the greatest upheaval since the war in Japanese personal savings.

From tomorrow, April 1, the Government is abolishing *muryaku* - a system of tax breaks on small deposits which account for nearly half of the country's ¥640 trillion (million million) personal savings. For the next six months, the competition for this money is the biggest financial issue in Japan, says Mr Masayasu Yamagata, general manager in charge of individual banking at Mitsubishi Bank.

Household savings, which have grown by 150 per cent in the last 10 years, now amount to an average of ¥5.26m (£22,800) for every man, woman and child. Japanese workers save so hard as protection against hard times, particularly in old age, and to provide for their offspring's education.

Smart names to watch

One of the big changes in Britain in the last decade or so is that the list of the country's most successful companies is not what it used to be. A few years ago, for example, not everyone would have been familiar with Hanson or BTR. Indeed some are still not. When BTR launched its bid for Pilkington even some Cabinet ministers asked not only what BTR was but who Sir Owen Green, the company chairman, was. Yet Hanson and BTR between them are part of the hallmark of Britain in the 1980s.

Queen's mate

Researchers into a forthcoming exhibition of betrothal rings have found that Queen Elizabeth I was a bit of a graffit artist when it came to her love life. Unlike lesser mortals who would settle for carving beads in tree trunks, she preferred to use her sharp-pointed diamond ring to etch out messages on glass. Nothing like "Queen Elizabeth rules OK" here though. In one exchange with Sir Walter Raleigh, he wrote "I would not be that far to fall, and she scratched the reply: "If thy heart fall thee, do not rise at all."

Foggitt is watching

Mr Foggitt is going to be cold this year according to Bill Foggitt, the North Yorkshire weatherman who swears by Buchan's First Spring Cold Spell observations. Alexander Buchan was a 19th century Scottish meteorologist who noted recurring cold spells between April 9-14.

Lunch is off

Exploiting a "loophole big enough to fly a 747 through," Continental Airlines has been advising Americans in recent advertisements to take a tax holiday: "If you're not looking forward to paying your taxes, we suggest you leave the country." For years Americans travelling outside the country on April 15, the annual deadline to file and pay-up, had won an automatic two-month extension. Montreal was a favourite lunch venue on that day.

On your bikes

The European Commission is setting common conditions for the production and use of bicycles in its drive to create a barrier free market by 1992. One condition is the unification of male and female bicycles to a single sexless model. Recycled materials should be used in their manufacture, cycle paths must be provided at borders, and obstacles such as cobblestones and tramlines must be removed.

Acquire experienced oarsmen

Cambridge continues to behave like gentlemen. Oxford have five post-graduate oarsmen in their crew which includes six Old Blues from last year's winning crew, and two Americans. Cambridge are an all-British crew, and with the exception of strokes, are all undergraduates.

Behind the publicity

Behind the publicity and the sweat involved in preparing for Saturday's Boat Race for the Lord Cockfield's Trophy, the gossip on the towpath is whether Oxford resort to underhand methods to

THE CURRENT Uruguay Round of trade liberalisation talks is supposed to reflect a fresh approach to the way developing countries fit into the international trading system. The diversity of the issues involved, ranging from agriculture and textiles to trade in services and investment, means that developing countries have an unusually large interest in the outcome. It also means that the old, rigid barriers between North and South are being broken down.

THURSDAY BOOK REVIEW
Developing Countries in the Gatt Legal System
By Robert Hudec
Gower, £12.95

In this context Professor Hudec's book is timely. It examines the relationship between developing countries and the Gatt over the past 40 years and finds it flawed because it is based on a philosophy of unequal treatment. Partly out of the developed world's liberal adherence to the concept of welfare, a system has grown up which excuses developing countries from the core disciplines of trade liberalisation while allowing their exports preferential access to the markets of the developed world.

country exports to the developed world in the past. But nowadays developed countries are becoming more restrictive, especially when confronted with a range of more sophisticated, processed goods which compete increasingly with their own.

Prof Hudec is not the only person to question whether this seemingly benign approach is ultimately beneficial to developing countries. The World Bank, too, has urged them to reconsider their reliance on the generalised system of preferences (GSP) under which they obtain favoured treatment from the main trading powers in the industrial world.

Among his reasons is the way the present system allows developing countries to pick and choose which of their infant industries to protect. Governments, he says, are notoriously bad investors and subject to political manipulation. It can lead to long-term economic harm. Ultimately, Prof Hudec says, developing countries would be better placed to demand reciprocal access to industrial countries' markets if they gave up seeking special privileges and opened up their own markets as a quid pro quo.

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Decisive Connecticut win keeps Dukakis's hopes alive

THE FIGHT for the Democratic presidential nomination remained unpredictable yesterday as Mr Michael Dukakis's campaign gained pace with a victory in the Connecticut primary, agencies report from New York.

Jackson winning about 29 per cent of the balloting and the remaining 16 delegates. The two men are now even with just over 600 delegates each and 2,083 needed to secure the nomination.

convention could hold the key. According to polls, Mr Jackson and Mr Dukakis are running almost even in Wisconsin which holds the next primary on April 5.

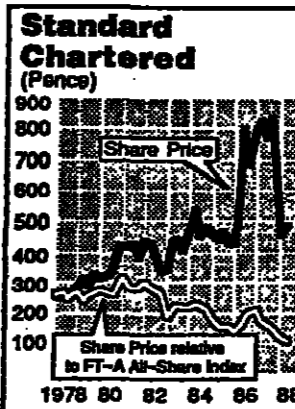


Dukakis celebrates victory but the Democratic race is far from over

THE LEX COLUMN

Reading too much into it

The market has got itself into such a muddle over the Government's exchange rate policy that yesterday's statement from Mr Lawson was seized upon as a major change of stance.



tion. It has three large shareholders - accounting for 38 per cent of the equity - whose long-term ambitions for the group may not always square with those of the management.

Jesse Jackson's Michigan win has transformed the Democratic race, writes Lionel Barber

Democrats begin to think the unthinkable

SHORTLY after his landslide victory in Michigan, the Rev Jesse Jackson let it be known he had arranged a meeting in Washington with a leading figure of the Democratic Party establishment, Mr Clark Clifford, the 81-year-old former US Defence Secretary.



Crossing zeal: Jesse Jackson campaigning in Detroit for the Michigan caucuses

One breakfast spent face-to-face with Mr Clifford, one of the chief political fixers in town, does not make a presidential nominee. But it does show how Mr Jackson, having come first or second in 27 out of 37 states, has transformed himself in the Democratic race from radical black outsider to pin-striped party insider.

Gephardt of Missouri, who withdrew from the Democratic race this week after coming a poor third in Michigan, went further. "I think Jesse Jackson can be nominated and he can be elected," he said.

president. Mr Jackson has never held any public office. He is an ordained Baptist minister who first rose to national prominence as an aide to the black civil rights leader, Dr Martin Luther King Jr.

After an assassin's bullet cut down Dr King in Memphis, Tennessee, on April 4, 1968, Mr Jackson appeared on television in Chicago wearing a blood-stained sweater claiming he had cradled the dying preacher-politician in his arms.

With its emphasis on political form reflects the economic struggle of America's 28.6m blacks, many of whom have found it hard to capitalise on the political gains made through the civil rights movement.

with the Third World, it would roll back the dominant themes of President Reagan's two-term administration.

President Jackson would stop the Star Wars missile defence programme, introduce laws to prevent companies closing factories and investing in cheaper labour abroad, boost pre-natal care, double the \$20m Federal education budget, and offer universal Federal health insurance.

The resemblance to the 1964 Jackson campaign is minimal. Having extended his "rainbow coalition" of ethnic minorities to the labour union, Mr Jackson has broadened his appeal and, to a degree, moved to the centre.

The obstacles to Mr Jackson securing the nomination remain high, if only because he must attract more white voters in swing states such as California, New Jersey and Pennsylvania, which do not match the picture of economic decline he often paints of America.

Meese faces growing calls for resignation

BY LIONEL BARBER IN WASHINGTON MR EDWIN MEESE, the US Attorney General, yesterday faced growing calls for his resignation over what appears to be a widening criminal investigation into his financial affairs and conduct in office.

Department officials and four of their aides resigned in a move that Administration officials attributed to concern that the investigations on Mr Meese were damaging the department.

Mr Meese is the subject of criminal inquiries into his role in helping the Wedtech Corporation, a scandal-ravaged New York City defence contractor, win Pentagon contracts.

According to the report, Mr Meese is seeking to establish whether Mr Meese's close friend Mr Robert Wallach had helped supplement the Attorney General's income by recommending Mrs Meese for jobs funded by tax-free foundations.

Volvo buys Leyland Bus in cash deal

Continued from Page 1 because "while I knew we could survive in the short-term, I was not sure that we could provide the investment needed for the future."

Mr Ernst Knappe, a senior vice-president of the parent Volvo group, said there would be "substantial investment" in Leyland Bus, whose 1,850 remaining jobs would be secure.

Moscow airliner development

Continued from Page 1 with the East is regarded as a serious impediment to aircraft collaboration. Cocom is now processing an application by Airbus Industrie to sell two wide-body Airbus to East Germany, in what Mr Vogels said could represent a "breakthrough" into the East European market.

Bae makes special Airbus loss provision

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT, IN LONDON BRITISH Aerospace (BAe), fresh from its agreement with the UK Government on the takeover of Rover Group, the state-owned automotive concern, has had to make a \$200m (\$658.4m) special provision in its accounts to cover potential losses up to 1991 on civil aircraft manufacture, especially the European Airbus.

and called for a major shake-up of its management and financial accountability. He said BAe's losses on civil aircraft work amounted to \$88m on a turnover of \$763m, against a loss of \$9m on a turnover of \$762m in 1986.

Prof Smith said BAe was bringing "intense pressure" on the UK Government to achieve "fundamental changes in the structure and financial arrangements of Airbus Industrie."

The effort. The business wants managing. BAe had limited room for manoeuvre because the UK Government was the prime shareholder, he said, although the 20 per cent stake was managed by BAe.

World Weather

Table with columns for location, temperature, and weather conditions across various global cities.

Sterling in sharp rise

Continued from Page 1 against inflation, a reinforcement of it," he said. The Chancellor said that this fall represented a weakening in the battle against inflation which had had to be compensated for by the use of interest rates, the Government's prime tool of monetary policy.

MORGAN GRENFELL advertisement for Unit Trusts, featuring a large graphic and text about investment opportunities.



SECTION II - COMPANIES AND MARKETS

FINANCIAL TIMES

Thursday March 31 1988

BROAD BUSINESS BASE + STRONG ASSET BASE + CONSISTENT GROWTH + GOOD MANAGEMENT = WOLSELEY

Texaco stock price rises for second day as arbs smell blood

BY JAMES BUCHAN IN NEW YORK

STOCK IN TEXACO rose yesterday for the second day amid mounting excitement on Wall Street that the giant oil group, which is about to lose bankruptcy protection, will be drastically restructured or even sold.



Mr Carl Icahn, the New York investor, stands to make profits of \$700m on the 14.5 per cent he holds in Texaco.

Analysts and arbitrageurs say it is now all but impossible that Texaco, which was plunged into bankruptcy by the largest damages award in history, can sur-

There was speculation yesterday that Texaco's management may seek KKR's financial backing to buy the desperately vulnerable company.

Although Kohlberg Kravis could probably afford to buy the company, Texaco has made deals with its creditors (including the tax authorities) which limit the amount of debt it can carry, even in a leveraged buy-out.

INTERNATIONAL BANKING GROUP HIT BY BAD OVERSEAS LOANS Standard Chartered posts £274m profits loss

BY DAVID LASCELLES, BANKING EDITOR

STANDARD CHARTERED, the troubled international banking group, reported a £274m (£483m) pre-tax loss for 1987 yesterday because of bad debts in overseas markets.

Mr Peter stressed yesterday: "This business is being run by Standard Chartered executives, not by the Bank of England as some people have suggested."

The results have come four weeks after it was announced that Mr Rodney Galpin, the Bank of England's executive director in charge of banking supervision, will take over as executive chairman in July when Sir Peter retires.

The debt provisions amounted to 32 per cent of Standard's loans to 28 developing countries, Sir Peter said.

Standard had also provided against 8 per cent of its loans to four developed countries, including South Africa where the group has loans of \$282m with a 5 per cent provision.

Standard's board held a long debate over whether to cut the dividend in light of the group's losses and its severely depleted capital resources.

Standard's problems stem from a combination of bad loans and the uncertainties resulting from the failed takeover bid by Lloyds Bank in 1986.

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Murdoch in US court victory on ownership

By Our New York Staff

MR RUPERT MURDOCH, the international media magnate, has won a court victory enabling him to retain ownership of the Boston Herald newspaper against the wishes of Senator Edward Kennedy.

The Circuit Court of Appeals in Washington ruled as unconstitutional legislation written by Senator Kennedy and passed by Congress late last year.

The latest ruling, which will not affect the Post's sale, will enable the FCC to grant Mr Murdoch another waiver for Boston before the present one expires at the end of June.

NY state agency in \$960m bid for Lilco

BY OUR NEW YORK STAFF

LONG ISLAND Lighting (Lilco), the electric utility serving 2.7m suburban New Yorkers, has received a \$960m takeover offer from a state agency.

Lilco would finance the deal with the sale of tax exempt bonds. The offer brings to a head Lilco's long and bitter fight with state regulatory authorities and troubled relations with its customers.

Electricity safety and economically. The root of Lilco's problems is its Shoreham nuclear power station which, after an investment of \$500m over the past 23 years still lacks an operating licence.

State regulators have begun denying the utility rate increases to cover the costs and it is being forced to take a \$1.36bn write-off this quarter.

Eskom earnings decline despite boost in sales

By Jim Jones in Johannesburg

ESKOM, South Africa's state-owned electricity utility, lifted sales to R7.85bn (R3.85bn) last year from R5.85bn, but a greater rate of increase in operating costs and finance charges left net profits lower at R702m compared with R781m.

EsKOM is an early candidate for privatisation but Mr John Maree, the chairman, said in Johannesburg yesterday that a sell-off was unlikely this year.

First City modifies terms of debt tender

BY RODERICK ORAM IN NEW YORK

FIRST CITY Bancorporation has modified the terms of its debt tender offer on which hangs a \$1.5bn recapitalisation of the deeply-troubled Houston bank holding company.

First City said it would accept a minimum of 70 per cent of long-term notes at between 35 and 45 cents on the dollar.

Investors an attractive return and capital appreciation if the rescue is successful.

The interest changes on the higher proportion of outstanding notes will be borne by creditors and shareholders of a new bank into which First City will place its bad loans.

Legal & General Group Plc US\$350,000,000 Euro-Commercial Paper Programme Rated A1+/P1 Dealers: Barclays de Zoete Wedd Limited, Credit Suisse First Boston Limited, J. P. Morgan Securities Ltd, SBCI Swiss Bank Corporation Investment banking, S. G. Warburg & Co. Ltd. Issue and paying agent: Chase Manhattan Bank N.A. Morgan Guaranty Trust Company of New York acted as financial advisor to Legal & General Group Plc for the rating of its UK Life Fund (AAA/Aaa) and its short term debt (A1+/P1) March, 1988

All these securities having been sold, this announcement appears as a matter of record only. New Issue March 1988 P.S.K. OESTERREICHISCHE POSTSPARKASSE Vienna 4 1/2% Bonds 1988-1998 of Swiss Francs 120 000 000 with full legal recourse to THE REPUBLIC OF AUSTRIA HandelsBank NarWest Banca del Gotardo, Wirtschafsbank, Privatbank, Allgemeine Bank Nederland (Schweiz), Aargauische Hypotheken- und Handelsbank, Banque Vaudoise de Credit, Bank in Menziken, Bank vom Linthgebiet, Reglobank beider Basel, EKO Hypothek- und Handelsbank, Luzerner Landbank AG, Banque CJC Union Europeenne en Suisse S.A., Bank in Liechtenstein Aktiengesellschaft, Genossenschaftliche Zentralbank AG, Standard Chartered Bank AG, Banque Louis-Dreyfus en Suisse S.A., Banca del Sempione, Banque Pariente, Nordfinanz Bank Zurich, Kreditbank (Suisse) S.A., Clariden Bank, Lloyds Bank Plc, Amro Bank und Finanz, Bank CIAL (Schweiz), Credit Industriel d'Alsace et de Lorraine AG - Armand von Ernst & Cie. AG, Banco di Roma per la Svizzera, Caisse d'Epargne du Valais, Fuji Bank (Schweiz) AG, Gewerbebank Baden, Handelsfinanz Midland Bank, Hypothek- und Handelsbank Winterthur, Maerki, Baumann & Co. AG, Morgan Grenfell Securities S.A., Sparkasse Schwyz, Bank of Tokyo (Schweiz) AG, Banque de Depots S.A., Banque Paribas (Suisse) S.A., BHF-Bank (Schweiz) AG, Citicorp Investment Bank (Switzerland), Credit Lyonnais Finanz AG Zurich, J.P. Morgan Securities (Switzerland) Ltd., Kyowa HB Finanz AG, Manufacturers Hanover (Suisse) S.A., Merrill Lynch Capital Markets AG, Morgan Stanley S.A., S.G. Warburg Sotitic S.A., Shearson Lehman Brothers Finance, SOGENAL - Societe Generale Alsacienne de Banque -

INTERNATIONAL COMPANIES AND FINANCE

Petrolube begins Saudi oil reshape

By Finn Barre in Riyadh

REORGANISATION of the Saudi oil industry has begun with Petrolube, the lubricating oil offshoot of the state-run Petrotrin, acquiring Petrotrin's lubricant blending plant in Jubail.

The facility, known as Saudi Lube, produces 1m barrels a year of lubricating oil and grease. Petrolube, in which Mobil of the US has a 29 per cent minority share, already operates blending plants in Jeddah and Riyadh with a combined capacity of 1m b/y.

In addition to buying Saudi Lube, Petrolube will take over various lubricant handling and marketing divisions of Petrotrin. The consummation of the deal took place only after long negotiations to determine equity participation and the value of the absorbed divisions. The price has not been released for the acquisition, which Mr Ahmed Al Khaziji, Petrolube's general manager, describes as a leveraged buyout.

The moves are only part of a plan to restructure Petrotrin and the kingdom's entire oil industry. In the process, changes will take place both at Petrotrin and the Arabian American Oil Company (Aramco).

It is expected that Aramco will continue managing all oil and hydrocarbon production. It may also assume all overseas sales duties. Petrotrin will be changed into a holding company presiding over three operating divisions - lubricants, refining and domestic marketing.

So far, Petrolube is not merging with Luberef, the Petrotrin-Mobil base oil refining venture. Luberef will award a contract for its second refinery in June. It is not clear if Luberef will become part of Petrolube or of the Petrotrin refining division.

This refining side may take over as many as six oil refineries which involve joint ventures with Shell as well as Mobil. A seventh facility, operated by Aramco at Ras Tanura, could also be incorporated.

Petrotrin also has a minerals division which includes Mahad Ad-Dahab, the legendary gold mines of King Solomon. There are suggestions that the minerals division will be spun off and privatised. Other fragments of Petrotrin may also be offered to the public.

Gordon Cramb on the ambitions of a fast-growing Bahrain bank

Investcorp now turns to Europe

INVESTCORP, the Bahrain-based investment bank which has led a string of prestigious corporate buyouts in the US, is strengthening its London presence in order to gain a bigger role in Europe.

From next month six of its 14 management committee members will be based in the UK. This comes with the relocation from its Gulf headquarters of Mr Michael Merritt and the recruitment of Mr Paul Soldatos, former head of Manufacturers Hanover's British buyouts unit.

Two notable deals in Europe last year have set the pace for an activity which Investcorp expects to increase. It is the largest institutional participant in International Leisure Group, holding 12 per cent of the Air Europe and Intasun operator which was taken private by Mr Harry Goodman in a \$137m (\$203.6m) buyout last May.

Two months later Investcorp was chosen by the French commercial courts to rescue Chammet, the glittering but bankrupt Paris jeweller, paying upwards of \$227.7m (\$42m).

Investcorp, founded in 1982 as a conduit for private Arab investment in Western industry, takes medium-term equity positions in a handful of companies annually, content with realising its holdings over three to seven years. It is also involved in property, fund management, and small-scale

money market trading.

With the resale proceeds of earlier purchases now starting to flow strongly, net profits for last year jumped 89.5 per cent to \$28.8m, producing a return on assets of 5.9 per cent.

While deals in the US will continue - last week Investcorp arranged the \$160m acquisition of Burnham Service, a Georgia electronics shipper - the company says that Europe offers in many ways greater attractions.

Also, it expects to benefit from greater cross-border merger activity as the unified Community market nears reality in 1992. This is despite its own non-EC parentage. Mr Naim Kirdar, Investcorp's Iraqi chief executive, heads a largely American management while its 12,000 shareholders are nearly all wealthy private investors in the Gulf.

The group argues that as it is not trying to build an industrial

and a distaste for auctions.

Typically, the involvement of the Bahrain institution went further than just taking a turn on its investment. The bank organised the refinancing of Tiffany's debt, arranged a \$66.5m sale and leaseback of its Fifth Avenue flagship store, and expanded the business to London and Munich.

Investcorp clearly has an eye for glamour, but other deals have taken it into industries as diverse and prosaic, as flow controls, aluminium extrusion, dairy products, and timber. Mr Merritt lists his criteria as strong cash-flow, good management, and a niche "or some other value which goes beyond something one can see easily on a balance sheet."

The group avoids both oil and gas and high technology as too specialised, and the financial sector because its operating assets can too easily "get up from their desks and walk out."

Email pulls out of battle for Rheem

EMAIL, the Australian white goods producer 19.9 per cent owned by Electrolux of Sweden, yesterday withdrew a \$287m (US\$394.3m) offer for Rheem Australia, clearing the way for the Adelaide-based SA Brewing to take over the appliance and packaging company, AP-DJ reports from Sydney.

Rheem said that "in the absence of higher offers, the board would expect to recommend acceptance" of the SA Brewing bid of \$22.65 a share, or \$443.7m. This has already been endorsed by Broken Hill Proprietary, Rheem's parent.

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WORLD BANKING

The Financial Times proposes to publish this survey on:

18th May 1988

For a full editorial synopsis and advertisement details, please contact:

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March 31, 1988, London
 By: Citibank, N.A. (CSI Dept.), Agent Bank **CITIBANK**

Cheung Kong boosted by extraordinary income

BY DAVID DODWELL IN HONG KONG

CHEUNG KONG, the Hong Kong property company controlled by Mr Li Ka-shing, yesterday reported net profits of HK\$1.88bn (US\$302.6m) for last year, up 23 per cent from HK\$1.28bn in 1986.

Following "a policy of conservative expansion," Mr Li said the lightly geared group will seek opportunities to add to its land bank in the coming year. This January Cheung Kong acquired two development sites in Hong Kong totalling almost 25 hectares. The group is expected to invest about HK\$50m developing the sites, but is forecast to reap profits of HK\$40m or more by the time they are ready in 1989.

Mr Li said Cheung Kong completed 10 buildings in 1987. Through its controlling interest in Hutchison Whampoa, it also earned extraordinary income of HK\$201m, most of this due to

Two US life insurers win licences in Taiwan

BY BOB KING IN TAIPEI

TAIWAN HAS awarded licences to two US life insurance companies - Metropolitan Insurance and Amunty, and Life Insurance Company of Georgia - after months of deliberation. They were chosen from a field of seven applicants.

Two years ago Taiwan agreed to American requests that it grant foreign insurers greater access to its market, but limited the number of new licences to two life and two non-life companies a year.

The Government earlier had awarded licences to Continental Insurance Company and Royal Insurance Company, both property insurers. The process in those cases was straightforward, since the two companies were the only applicants.

Deciding among the life insurance applicants proved more

empire for itself, it should prove a more acceptable purchaser both to the vendors of a family business and the antitrust officials who would vet such a deal.

For Chaumet, Mr Merritt says the Paris authorities cleared all regulatory requirements within 48 hours, and added: "There is a 20-year-old company that is as French as you could find. It may have been an advantage that we were not a competing French group."

Whether the view of Investcorp

complicated, because Georgia Life is a subsidiary of Nationale Nederlanden, the Dutch insurance group.

Taiwan had specified in its agreement with the US that only American companies could qualify for the new privileges - not out of any ill-will against Europeans, but simply to ensure that Japanese companies would not dominate the market here.

Thus, legal consultation was required before the Finance Ministry accepted the argument that the American subsidiary was a *de jure* US company and could thus qualify for a licence.

Other companies in the life insurance competition included American Life Insurance, Connecticut Mutual Life, Life Investors Insurance of America, Commercial Bankers Life Insurance, and Central Life Insurance.

TNT drops offer for Cumberland

TNT, the leading Australian transport group, has withdrawn a \$160m, or 85 cents a share, takeover offer for Cumberland Credit, a cash-rich investment company where Mr Larry Adler's FAT Insurance has just raised its holding to 43 per cent through market purchases and is bidding 90 cents a share.

TNT retains a 23 per cent stake in Cumberland.

Australian Ford shoots ahead

FORD MOTOR Company of Australia, a unit of the US car maker, lifted sales to A\$2.02bn (US\$1.48bn) last year from A\$1.87bn and doubled net profit to A\$34m from A\$17m, agencies report from Melbourne.

The company said it was still disappointed with the result. It expects the Australian vehicle market, of which it has a 28.6 per cent share, to begin recovering gradually.

Toyota acquisition

TOYOTA of Japan plans to buy the assets of Delta Motor, a bankrupt Philippines manufacturer, as a means of again entering the country's reorganised car industry, Our Financial Staff writes.

The Asset Privatisation Trust has set a minimum price of 120m pesos (\$5.7m) on the Delta facilities, which Mazda expects Toyota to take over before it can resume production halted in 1983.



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APPOINTMENTS

Board changes at Robert Fleming

ROBERT FLEMING HOLDINGS has appointed Mr P.T. Bateman, Mr E.H. Cooper, and Mr C.L. Minto as directors, and Mr D.J. Young as company secretary. Mr R.P. Matthews has been appointed as a director of Robert Fleming & Co. Robert Fleming Securities has appointed as directors Mr G.M. Barnard, Mr R.W.J. Davis, Mr J.C. de Pass, Mr C.E. Dunn, Mr A.D. Jamieson, and Miss S.C. Thompson. At Robert Fleming Management Services Mr A.S. Heyburn, Mr A.E. Mumt, and Mr P.V. Skinner have been made directors and Mr D. Robinson becomes internal auditor.

★ Mrs A.J. Caruath, Mr N.A. Lethbridge, Mr A.M. Shaw, and Mr A.F. Sykes have been appointed directors of J. HENRY SCHRODER WAGG & CO. from April 1; and Mr R.J. Broadbent, Mr S. Chari, Mr N.T. Crowe, Miss J.A. Helgho, Miss E.J. Moore and Miss J.A. Smith become assistant directors. Mr J.P. Balabridge, Mr J.M. Damsell, Mr M.S. Harrison, Mr P.W. Mason and Mr M.J. Sanderson have been appointed assistant directors of SCHRODER INVESTMENT MANAGEMENT from April 1.

★ **BISLEY PRECISION OFFICE EQUIPMENT** has appointed Barry Sharp to the board. He was managing director of SASCO.

★ **NOREX** has appointed Mr Peter Anscombe as a director of Norex Insurance Brokers. He joins from Sedgwick U.K., where he was a regional director. Mr John W. Bell has been appointed a director of Norex Non Marine.

★ Sir William Dugdale has been appointed as director and chairman designate of **GENERAL UTILITIES**. He is a former chairman of the Severn Trent Water Authority, the Trent River

Head of swaps at Kleinworts

KLEINWORT BENSON has appointed Mr Konstantin von Schweinitz as a director of Kleinwort Benson Securities and head of the London swap group, covering preliminary long-term sterling interest rate and currency swaps. He was an executive director of Chase Investment Bank and its head of swaps in London. Kleinwort Benson Cross Financing Inc., the group's Los Angeles subsidiary specialising in US dollar interest rate swaps, has appointed Mr Richard Stern as a senior vice president in New York with particular responsibility for advanced swap arbitrage programmes. He was a managing director of Merrill Lynch Capital Markets, head of the Merrill Lynch swap group worldwide, and a founder board member of the International Swap Dealers Association, Inc. The group has transacted over \$30,000m of interest rate and currency swaps since 1984, according to Mr Jonathan Agnew, chairman of Kleinwort Benson Securities.

CONTRACTS

£20m mechanical handling orders

BUTTERLEY ENGINEERING, a member of the Norcross Group, has won contracts worth £20m. The largest involves the design, manufacture, installation and commissioning of a raw materials handling and furnace charging system at British Steel Corporation's Port Talbot works, South Wales. Other orders from BSC include a limited swing magnet crane for Southorpe, 1200

tonne ladle crane trolley at Tinsley Park, Sheffield, and modifications to a crane at Ravenscraig. Butterley will design, manufacture and deliver what is described as "a unique integrity" Polar crane and fuel building crane for the pressurised water reactor at Sizewell B nuclear power station in Suffolk. On the bridge side, the company will provide a second

roll-on, roll-off facility at No.2 berth for the Dover Harbour Board following a recently completed contract for the No.3 berth. Acting as a sub-contractor to Balfour Beatty Building, Butterley will fabricate and erect a twin-leaf bascule bridge at The London Dockland Development Corporation's Millwall Docks scheme.

Flexible business space in the City

HUNTING GATE CONSTRUCTION has been awarded a £10.6m contract by NFC Properties to construct 158,000 sq ft of flexible business space on the edge of the City of London. The development, to be called City Forum, will take place on a prime five acre site in City Road, ECL, and will create 13 two- and three-storey self-contained linked buildings. Funding for the scheme is being provided by Postal. The site formerly housed an

NFC operational depot and at an earlier stage in its history was served by the Grand Union Canal which entered the site under City Road. The new development will transform the immediate area with a brick facade to City Road. All the units overlook a landscaped courtyard designed to be a focal point for every building on the development. The scheme incorporates basement car parking which makes

good use of the basement levels of the previous building. The foundations are of 18 metre flight angled piling with an in situ reinforced concrete sub-structure forming the basement car parking. The units will be constructed in steelwork with pitched roofs to accommodate the plant and help to reduce the overall scale of the development. When complete in April, 1989, the development will provide one of the largest low-rise schemes in the City.

Seven-storey warehouse refurbished

Building contracts worth more than £2m have been awarded to four of the **WILLMOTT DIXON** companies. The largest, worth in the region of £2.3m, is being carried out by A.F. Symes of Leyton. It involves the refurbishment of a seven-storey warehouse at Bear Wharf, London SE1 to provide office accommodation for British Telecom. Bush Gould of Norwich has

won two contracts. One, worth around £857,000, is for work on an extension to a Norfolk store. The second contract involves refurbishing and extending a four-storey office block for Donington Investments at Prince of Wales Road, Norwich. This contract is worth in the region of £50,000. Willmott Dixon Design and Build of Cambridge is engaged on two new contracts. One, worth £1m, is to build two retail ware-

houses at Beadmore Park, Marshes, Suffolk for The Churchman Estates Company. The other is a £387,000 contract to design and build a two-storey steel-framed office building for George Cohen Machinery at Dunhams Lane, Letchworth, Hertfordshire. Willmott Dixon Construction of Sheffield have been awarded a £278,000 contract by Tesco to refit the checkout area of its store at Barr Hill, Cambridge.

IN BRIEF.....

DAVY MCKEE INTERNATIONAL, Sheffield, part of the Davy Corporation, has won a contract worth over £18 from the USSR for steel mill equipment. The order is from Tyazhpromexport, and the equipment will be installed in a mill to be built at Magnitogorsk, near the Ural Mountains. Equipment to be supplied includes hydraulic guage control for all seven finishing mill stands, with work roll bending, side shifting and spindles on four of the stands, and an "Encopanel" heat retention system.

STC TELECOMMUNICATIONS gained orders worth £33.5m during February. More than half is from British Telecom for line transmission equipment. A £2.5m order from Mercury is for programmable digital multiplexers, which Mercury is building into its network as standard equipment.

ROYAL ORDINANCE has won contracts from the UK and Norwegian Defence Ministries together worth £12.5m. The larger is for 61mm mortar ammunition for the Norwegian Armed Forces, and is worth about £10m. The MOD has ordered Seadart missile fragmenting warheads, valued at nearly £2.5m.

★ **TEMPERATURE**, a member of the Norcross Group, has signed a five-year licensing agreement, worth £2m, with the Greek air conditioning company Pyrognosis S.A. Under the agreement the sale of Wight air conditioning company will initially supply £500,000

worth of Prestair split air conditioning units in kit form and later Pyrognosis will manufacture units under the licence.

★ **WSP HOLDINGS**, Nottingham, has been awarded a contract by the network division of British Telecom to manufacture Line Box. Completing the network system, Line Box will enable engineers to remove test faults on lines running from telephone exchanges to individual properties. The contract is

worth £2m over two years and will represent an increase of 10 per cent of group sales.

★ **PRESSAC HOLDINGS**, Nottingham, has been awarded a contract by the network division of British Telecom to manufacture Line Box. Completing the network system, Line Box will enable engineers to remove test faults on lines running from telephone exchanges to individual properties. The contract is

worth £2m over two years and will represent an increase of 10 per cent of group sales.

★ **MORGAN GRENFIELD FINANSAL HIZMETLER**, Istanbul, Morgan Grenfield claims to be the first UK merchant bank to start a financial services operation in Turkey.

★ **FRANCIS WITTS**, a director of Morgan Grenfield International, has been appointed general manager of **MORGAN GRENFIELD FINANSAL HIZMETLER**, Istanbul. Morgan Grenfield claims to be the first UK merchant bank to start a financial services operation in Turkey.

★ **WSP HOLDINGS** has been appointed by the Home Office for the design and supervision of mechanical and electrical services at Brookhill remand centre, near Birmingham. The value of the services will be about £5m. The overall cost of upgrading the accommodation at Brookhill is about £15m.

★ **MR ADRIAN REYNOLDS** has joined the board of **CYBERAID** as group sales director. He was with Nova.

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BIDDING CONDITIONS: AyE-GIE-1719. Value of Bidding Conditions: \$ 25,000. OPENING DATE: 23/5/88 at 10.00 a.m. Enquiries and Delivery of Documentation: Gerencia de Compras Adolfo Alsina 1418 - Plaza Baja - Buenos Aires - Republica Argentina, from Mondays to Fridays, 11.00 a.m. to 02.00 p.m. Submission and Opening of Tenders: Gerencia de Compras, Adolfo Alsina 1418 - Plaza Baja - Buenos Aires - Republica Argentina. This bid is partially financed with resources from the Inter-American Development Bank - I.D.B. - (Loan Contract NR. 468/OC-AR), the nationality of the participants and the origin of the goods being restricted to the member countries of the I.D.B. Santo TOME Transforming-Convertng Station shall be of 50MW nominal power.

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IN 1987

SCHRODERS

ADVISED ON MORE

MERGERS AND

ACQUISITIONS WITHIN

THE UK THAN

ANY OTHER BANK.

*By value - Source: Financial Times Business Information, Mergers and Acquisitions, January 1988



UK COMPANY NEWS

Bowater above forecasts with rise to £54.5m

BY ANDREW HILL

Bowater Industries, packaging and building supplies group, beat most forecasts with pre-tax profits of £54.5m, up over 13 per cent on the £48m made in 1986.

Turnover was slightly reduced at £1.18m (£1.34m). Earnings per share grew by more than 34 per cent to 36.7p (27.3p).

Operating profit from continuing businesses rose to £60.2m (£50.2m), led by increased contributions from packaging and industrial products and merchandising and services.

During 1987, Bowater's management team was substantially altered with the appointment of a new chief executive, Mr David Lyon, a new chairman, and a new finance director.

Mr Lyon said yesterday Bowater would attempt to squeeze margins in all sectors this year. In 1987 they stood at 5.5 per cent (5 per cent) for the group. This figure would have been higher had the group not decided to

restitute pension contributions of £2m after the crash.

Mr Lyon intends to place less emphasis on volume in the corrugated packaging division and more on added value, by working on designs for the outside of boxes it produces.

Last year trading profits in the sector rose to £23.5m (£22.4m). Rexham, the US packaging concern bought for £125m last November, was included for six weeks and contributed £15m in sales to divisional turnover of £297m (£303m).

The merchandising and services division also increased trading profits to £23.8m (£18.9m) and sales rose to £688m (£581m).

The figures included an extraordinary gain of £12.8m, principally representing the sale of a 50 per cent stake in Cayzer Steel Bowater Holdings last August.

The board recommends a final dividend of 7.25p, making 12.5p

(10p) for the year.

comment

Last year may have been transitional, but Bowater scarcely needed to make excuses for yesterday's figures. Nonetheless, if 1986 figures are restated to exclude a £7m contribution from the Bowater Scott stake, since sold, and currency fluctuations are evened out, the company's growth looks even more impressive. This year, Bowater ought to consolidate its strengthening position as a producer of lucrative designer packaging. A full year's contribution from Rexham and improving margins both here and in the building products division should push pre-tax profits over £70m. With the new management team prepared to expand further, the shares - up 3p to 385p yesterday - look fairly attractive on a prospective multiple of about 9.

Metal Box to accept S. Africa offer

By Maggie Urry

Metal Box, the UK packaging group, is planning to accept an offer worth £26.7m for its 25 per cent stake in Metal Box South Africa. The offer comes from Nampak, a quoted subsidiary of Barlow Rand, the South African industrial business. Metal Box South Africa, which has similar activities to its UK namesake, is quoted, and Nampak is proposing to acquire all its shares.

At the same time, Metal Box is selling its 25 per cent stake in Robor, industrial Holdings, a South African steel, metal and tube company, to Barlow Rand, which owns the majority of Robor's shares, for £6.7m.

The two deals will take Metal Box out of South Africa. The company expects to be able to bring the £35.4m of cash back to the UK where it will be used to develop and extend its existing core businesses.

Metal Box South Africa will continue as a licensee of Metal Box technology and will be able to use the Metal Box name for two years.

Metal Box shares were down 2p at 186p.

OT&T meets targets with £41.2m

BY MARTIN DICKSON

Ocean Transport & Trading, international distribution services group, yesterday announced pre-tax profits of £41.2m for 1987, up 10 per cent on the £37.4m achieved in 1986.

The figures were in line with leading analysts' expectations, which had been downgraded at the interim stage, and the shares closed down 1p at 263p.

OT&T has been undergoing a major change of direction in recent years, reducing its dependence on the depressed shipping sector, and developing three other major legs: international freight management, specialised warehousing and distribution, and environmental management.

At the trading level, profits rose 29 per cent to £40.9m (£31.7m) on turnover of £950m

(£827m) and would have been £2m higher using 1986 year-end exchange rates.

The interest charge was £3.3m (£4.8m) and there was a drop in profits from associated companies - from £10.3m to £3.6m - because of the sale in 1986 of its interest in shipping group Overseas Containers.

Freight, warehousing and distribution contributed trading profits of £17.6m (£13.2m). This was helped by Jardine Airfreight, acquired in 1986. However, OT&T said while Jardine had been integrated better than planned with the MSAS Cargo business in most parts of the world, it had taken longer than expected to resolve the problems with the important UK operations.

The environment and energy

division contributed £10.1m (£9.8m), marine services £7.2m (£6.2m) and shipping £4.1m (£1.7m).

After tax of £11.6m (£11.5m), earnings per share were up 11.6 per cent to 24p (21.5p), while the final dividend of 7.01p (6.1p) takes the total for the year to 10.35p (9p), up 15 per cent.

comment

A solid and worthy, rather than exciting, set of figures, held back by the problems (which now seem to be over) of combining two very different cultures at MSAS and Jardine in the UK and exchange rate swings. However, after being slower than most to extricate itself from shipping, OT&T is now getting into its stride with a coherent, expansive

strategy. Capital investment totalled £50m last year and has been running at the same rate so far this year, while gearing remains moderate. The management has been quicker than many to act on the possibilities thrown up for transport as Europe moves to 1992; and the new finance director may bring with him some additional tax and treasury gymnastics. Pre-tax profits could reach £47m this year, which on a 30 per cent tax charge produces a p/e of 10, suitably in line with the market. But it is likely to be 1989 before the full fruits of the capital spend start coming through and the shares should not excite in the near-term, apart from any renewed interest by Sir Ron, who seems fully occupied down under.

Weir achieves £13.2m despite disposals

BY FIONA THOMPSON

The Weir Group, Glasgow-based engineer, reported 1987 profits on ordinary activities ahead from £11.3m to £13.2m, but at the pre-tax level an exceptional credit of £3.73m boosted the 1986 total to £16.5m.

The results were encouraging. The year has started well with a high level of bookings at Weir Pumps, he said.

Turnover was £137.26m (£148.58m). Tax took £3.09m, compared with £4.03m last time. A

final dividend of 3.25p is recommended, making a total for the year of 4.5p (3.5p).

comment

These results were above expectations and the shares closed 3p up at 233p last night. The underlying business is strong and the company has been booking orders at a high rate, and not just power generation business though it does have at least £14m Sizewell orders. The

geographical spread is also very wide. Weir is a big exporter all over the world and the company hedges foreign currency orders as soon as they are booked. The first-time contribution from Devonport Management gave a substantial boost to the engineering services division. Weir has consistently outperformed the market and forecasts for this year of £16m produce a prospective p/e of just under 11, not excessive.

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COMPANY NEWS IN BRIEF

A & C BLACK (publisher): Pre-tax profits £817,000 (£583,000) on turnover of £4.71m (£4.61m) for 1987. Final dividend 3.25p (7.25p) making 13p (10.75p). Earnings 30.9p (25.5p) per share.

NOBISSE (food storage and distribution): Pre-tax profits £2.46m (£2.12m) for 1987, against £2.08m. Turnover £13.63m (£14.68m). Final dividend 7.5p (6.1p), making 10.5p (9.1p). Earnings 28.3p (23.3p) per 20p share.

ARAN ENERGY (unquoted oil and gas group): Pre-tax profits £1.43m (£1.24m) for 1987 against

£1,644,000. Turnover: £23.52m (£23.48m). Tax credit £1.07m (£1,440,000 debit). Earnings 1.65p (0.91p).

GOAL PETROLEUM: Pre-tax profits for 1987 £3.61m compared with loss of £611,000 on turnover of £ 50 per cent stake in Cayzer Steel Bowater Holdings last August.

The board recommends a final dividend of 7.25p, making 12.5p

CLARKE, NICKOLLS & Coombe (property investor and developer): Pre-tax profits £1.53m (£688,000) on turnover of £6.42m (£2.9m) for 1987. Final dividend 2.4p (2.1p adjusted) for 3.5p (3.15 adjusted) total. Earnings 9.59p (5.59p).

Cambridge Isotope BWD Securities

Cambridge Isotope Laboratories, Massachusetts-based producer of stable isotopes and chemical compounds, improved pre-tax profits to £1.3m (£700,000) in the year to November 30 1987 against a previous £789,058. Turnover rose from \$3.36m to \$4.51m.

The company, which came to the USM last April, is paying a dividend of \$0.066 from earnings of \$0.06 (\$0.04).

BWD Securities, the Yorkshire based stockbroker being floated on the USM, received applications in respect of 3.24m shares for its offer for sale of 1.5m shares. Up to 1,000 shares, allocated in full; 1,500 to 3,500 - 1,000 shares; 4,000 to 6,000 - 2,000 shares; 6,500 to 8,500 - 2,500; 9,000-11,000 - 3,000; 12,000-26,000 - 3,500; 27,500-47,500 - 4,000; 50,000 shares and above - 10 per cent of the application.

Hertfordshire
The Financial Times proposes to publish this survey on:
24th May 1988

For a full editorial synopsis and advertisement details, please contact:
Rachel Fiddimore
on 01-248 8000 ext 4152
or write to her at:
Bracken House
10 Cannon Street
London
EC4P 4BY

FINANCIAL TIMES
EUROPE'S BUSINESS NEWSPAPER

STANDARD CHARTERED PLC

1987 RESULTS

The Directors announce the results of Standard Chartered Group for 1987, as follows:

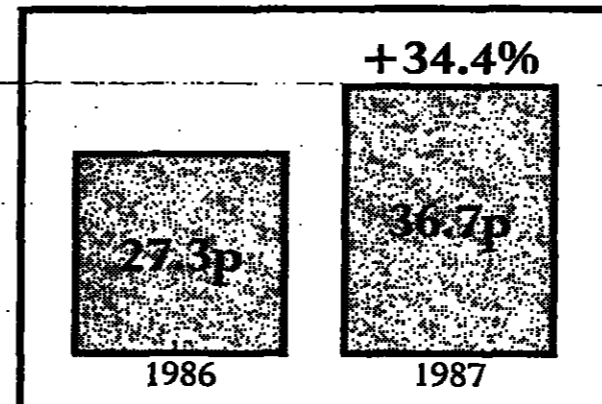
	1987	1986
	£ million	£ million
Trading profit before charge for bad and doubtful debts	362.1	394.4
Charge for bad and doubtful debts	(233.6)	(184.2)
	128.5	210.2
Share of associated companies	39.1	43.7
Profit before exceptional items	167.6	253.9
Exceptional items:		
Charge for cross border debts	(519.5)	-
Surplus on disposals of premises	88.9	-
Reorganisation costs	(10.8)	-
Profit/(loss) before taxation	(273.8)	253.9
Taxation:		
United Kingdom	37.4	(13.0)
Overseas	(83.0)	(72.8)
Share of associated companies	(14.8)	(10.5)
	(60.2)	(96.3)
	(334.0)	157.6
Minority interests	(10.5)	(6.6)
Earnings	(344.5)	151.0
Extraordinary items	(60.4)	(6.7)
Profit/(loss) attributable to members of the company	(404.9)	142.3
Dividends: Interim	(19.5)	(19.5)
Final	(35.0)	(35.0)
Amount retained/(deficit)	(459.4)	87.8
Earnings per share:		
Before exceptional items	33.8p	97.0p
After exceptional items	(221.3p)	97.0p

Dividend: The Directors will recommend at the Annual General Meeting on 12th May 1988, a final dividend of 22.5 pence per share making a total distribution for 1987 of 35.0 pence per share. The final dividend will be paid on 20th May 1988 to shareholders on the register on 21st April, 1988.

The information in this announcement does not comprise full accounts within the meaning of Section 254 of the Companies Act 1985. Full accounts containing an unqualified audit report will be posted to shareholders on 16th April, 1988. Copies will be delivered to the Registrar of Companies in accordance with Section 241 of the Companies Act 1985.

Standard Chartered PLC, 38 Bishopsgate, London EC2N 4DE.

BOWATER IMPROVES THE BOTTOM LINE



MAJOR GROWTH IN 1987 EARNINGS PER SHARE

- Paper and plastics packaging
- Industrial coating and lamination
- Building materials and distribution
- Tissue and timber products
- Freight and Engineering services

BOWATER INDUSTRIES PLC
1987 Annual Report will be posted to shareholders on 12th April 1988



COMMODITIES AND AGRICULTURE

EC Farm Ministers agree moves to curb wine output

BY DAVID BUCHAN IN BRUSSELS

IN THE early hours of yesterday morning EC Agriculture Ministers agreed measures to curb wine output...

Under the current system, the Commission decides each year the level of "normal" or human consumption...

Ivory Coast drops cocoa target

BY NICHOLAS WOODSWORTH IN ABIDJAN

THE IVORY Coast, the world's largest producer of cocoa, is abandoning its goal to increase Ivorian cocoa production to 1m tons a year.

The change in cocoa policy was announced yesterday by Mr Denis Bra Kanon, the Agriculture Minister...

Rustenburg to speed up platinum development

By Jim Jones in Johannesburg

RUSTENBURG Platinum, South Africa's largest platinum producer, is to accelerate the establishment of a new platinum mine...

The new mine forms part of an overall consolidation of the Rustenburg group's mineral interests...

US grain reserve policy under fire

BY NANCY DUNNE IN WASHINGTON

MR RICHARD LYNG, the US Agriculture Secretary, is coming under heavy congressional pressure to rescind a ruling which would send billions of bushels of farmer-owned surplus grain...

US share of the world wheat market fell 29 per cent in 1987-88 to a projected 41 per cent in 1987-88. Congressman Byron Dorgan, a North Dakota Democrat, said USDA officials told him that the new policy meant that 358m bushels of wheat and 50m bushels of maize would be released from the reserves over the next several months...

Chris Sherwell on efforts to liberalise a costly marketing system Australia battles for wheat sales overhaul

THE BATTLE to liberalise Australia's highly regulated wheat handling and marketing arrangements has entered a new phase following the publication of findings by two key panels.

enjoy, the IAC says. They can elect to sell directly to traders for cash, to store and sell later, or to enter forward selling options or to form co-operatives to enhance their negotiating power and share risks.

The impact would also spread beyond Australia's wheat industry, bringing fundamental changes to the country's over-regulated transport systems and furthering the Labor Government's campaign for micro-economic reform.

Both the state governments and the federal government are now considering the findings of the Royal Commission and the IAC. The Royal Commission has urged that many of its specific proposals be adopted "immediately", but this seems unlikely to happen.

WORLD COMMODITIES PRICES

LONDON MARKETS

NICKEL PRICES continued their re-inforcement on the LME yesterday, with three-month metal shipping 8635 a tonne to \$15.415, equivalent to \$2.95 a lb.

Table with columns: Commodity, Price, Change. Includes COCOA, COFFEE, RUBBER, SUGAR, etc.

Table with columns: Commodity, Price, Change. Includes LONDON METAL EXCHANGE, POTATOES, SOYABEAN MEAL, etc.

Table with columns: Commodity, Price, Change. Includes LONDON BULLION MARKET, SOYABEAN MEAL, etc.

US MARKETS

Because of the extended time gap following the introduction of British Summer Time, last night's US closing prices were not available for inclusion in this edition.

Table with columns: Commodity, Price, Change. Includes CRUDE OIL, COCOA, COFFEE, etc.

Chicago

Table with columns: Commodity, Price, Change. Includes SOYABEAN, MAIZE, WHEAT, etc.

SPOT MARKETS

Table with columns: Commodity, Price, Change. Includes CRUDE OIL, RUBBER, SUGAR, etc.

COCOA

Table with columns: Commodity, Price, Change. Includes COCOA, COFFEE, RUBBER, etc.

COFFEE

Table with columns: Commodity, Price, Change. Includes COFFEE, RUBBER, SUGAR, etc.

RUBBER

Table with columns: Commodity, Price, Change. Includes RUBBER, SUGAR, etc.

SUGAR

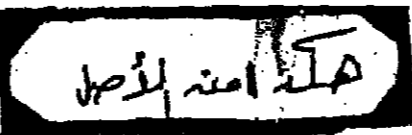
Table with columns: Commodity, Price, Change. Includes SUGAR, etc.

CRUDE OIL

Table with columns: Commodity, Price, Change. Includes CRUDE OIL, etc.

WHEAT

Table with columns: Commodity, Price, Change. Includes WHEAT, etc.



CURRENCIES, MONEY AND CAPITAL MARKETS

FOREIGN EXCHANGES

Lawson boosts sterling

STERLING climbed to its highest level against the D-Mark since July 1986 after the London close, on comments by Mr Nigel Lawson, Chancellor of the Exchequer, in testimony before the Commons Treasury and Civil Service Committee.

On Bank of England figures sterling's exchange rate index closed unchanged at 77.5, after standing at 77.5 for most of the day.

The dollar finished at DM1.6680, compared with DM1.6685 on Tuesday. It was fixed at DM1.6689, against DM1.6694 previously. The Bundesbank did not intervene.

FINANCIAL FUTURES

Gilt prices slightly firmer

TRADING VOLUME continued to fall in yesterday's Life market, as floor traders looked, with some relish, towards the long Easter break.

Despite a stronger close in Chicago on Tuesday, the dollar's steady to firmer trend, and a reluctance to carry short positions over the weekend, should also have provided support.

News of a 0.8 p.c. fall in US factory orders - in line with expectations - appeared to have little effect. The June bond price opened at 90.11 and traded in a narrow band that range before finishing at 90.08, compared with 89.94 on Tuesday.

EMS EUROPEAN CURRENCY UNIT RATES

Table with columns for Country, Unit, and Rate. Includes Germany, France, Italy, etc.

£ IN NEW YORK

Table showing exchange rates for £ in New York for various currencies.

STERLING INDEX

Table showing Sterling Index values for different currencies and time periods.

CURRENCY RATES

Table showing various currency rates including US Dollar, Japanese Yen, etc.

MONEY MOVEMENTS

Table showing money movements for different currencies.

OTHER CURRENCIES

Table showing rates for other currencies like Argentine, Australian, etc.

POUND SPOT - FORWARD AGAINST THE POUND

Table showing Pound Spot and Forward rates against the Pound.

DOLLAR SPOT - FORWARD AGAINST THE DOLLAR

Table showing Dollar Spot and Forward rates against the Dollar.

EURO-CURRENCY INTEREST RATES

Table showing Euro-currency interest rates for various currencies.

EXCHANGE CROSS RATES

Table showing exchange cross rates between different currencies.

FT LONDON INTERBANK FIXING

Table showing FT London Interbank Fixing rates.

NEW YORK

Table showing New York market data.

LONDON MONEY RATES

Table showing London Money Rates.

LIFFE STERLING FUTURES

Table showing Liffe Sterling Futures prices.

LIFFE US TREASURY BOND FUTURES

Table showing Liffe US Treasury Bond Futures prices.

LIFFE FT-SE INDEX FUTURES

Table showing Liffe FT-SE Index Futures prices.

LIFFE EURO-DOLLAR FUTURES

Table showing Liffe Euro-Dollar Futures prices.

CURRENCY FUTURES

Table showing various currency futures prices.

CHICAGO

Table showing Chicago market data.

LIFFE EURO-DOLLAR FUTURES

Table showing Liffe Euro-Dollar Futures prices.

LIFFE EURO-STERLING FUTURES

Table showing Liffe Euro-Sterling Futures prices.

LIFFE EURO-YEN FUTURES

Table showing Liffe Euro-Yen Futures prices.

LIFFE EURO-DM FUTURES

Table showing Liffe Euro-DM Futures prices.

THE CORPORATE INVESTOR'S PHONE CHECK LIST

Advertisement for Forward Trust Treasury Services, featuring a phone check list and contact information.

Art Galleries

Advertisement for Art Galleries, mentioning various gallery services.

Advertisement for U.S. \$60,000,000 Manufacturing National Corporation, including details on floating rate notes.

Advertisement for I.G. Index Ltd., 9-11 Grosvenor Gardens, London SW1W 0BD.

Advertisement for Navigator Class, featuring an image of a hand holding a tray with a glass.

Advertisement for Heathrow to Oporto flights, listing various flight times and services.

Advertisement for Top Air Portugal, featuring an image of an airplane and flight information.

MONEY MARKETS

UK interest rates slightly lower

INTEREST RATES were slightly lower in the London money market yesterday, as the pound continued to improve. However most traders were determined to go into the long weekend showing a minimum book exposure.

FT LONDON INTERBANK FIXING

Table showing FT London Interbank Fixing rates.

NEW YORK

Table showing New York market data.

LONDON MONEY RATES

Table showing London Money Rates.

LIFFE STERLING FUTURES

Table showing Liffe Sterling Futures prices.

LIFFE US TREASURY BOND FUTURES

Table showing Liffe US Treasury Bond Futures prices.

LIFFE FT-SE INDEX FUTURES

Table showing Liffe FT-SE Index Futures prices.

LIFFE EURO-DOLLAR FUTURES

Table showing Liffe Euro-Dollar Futures prices.

EUROPEAN OPTIONS EXCHANGE

Table with columns for Series, May 88, Jun 88, Jul 88, Aug 88, Sep 88, Oct 88, Nov 88, Dec 88, and Stock. It lists various stock options and their corresponding prices and volumes.

BASE LENDING RATES

Table listing base lending rates for various banks and financial institutions, including names like Citibank, Chase, and HSBC, along with their respective rates.

AUTHORISED UNIT TRUSTS

A large, multi-column table listing numerous authorized unit trusts. Each entry includes the trust name, its manager, and various financial metrics such as assets, liabilities, and performance indicators.

Advertisement for Finstat, featuring the slogan 'When prices matter - Finstat delivers the FT prices online, Unit Trusts, Equities, Gilt, Indices. Daily to your desktop computer.' and the Finstat logo.

FT CROSSWORD No.6,595

A crossword puzzle grid with clues provided for both across and down words. The clues include 'Daisy, Daley's opening is like Homer's Athene (3-4)', 'Fool (academic clue)(6)', and 'Fool (academic clue)(6)'.

FT UNIT TRUST INFORMATION SERVICE

A detailed table providing information for the FT Unit Trust Information Service, including lists of unit trusts, their managers, and associated financial data.

Handwritten text at the bottom of the page, possibly a signature or a note, appearing to read 'Ally'.

FT UNIT TRUST INFORMATION SERVICE

Scottish Asset Management Ltd 8 Darnley St, Leith, Edinburgh 01-222 4444	Tanaka Unit Trust Managers 100 Wood Street, London EC2 01-489 4321	American Life Insurance Co UK 25 Abchurch Lane, London EC4A 3DF 01-489 7250	Central Medical Managed Funds Ltd 25 St James's St, London W1P 0AP 01-499 5954	F&A Assurance Limited 110 West Gate, Glasgow G2 2PA 041-339 4442	Handyman Administration - Corp 100 Wood Street, London EC2 01-489 4321	Legal & General (Unit Protection) Ltd Kingsway House, Kingsway, London WC2R 2JF 0773 3456 6	Mutual Life Assurance Ltd 1 Colindale Ave, London NW9 1LS 01-489 4321
Scottish Investment Managers Ltd 112 Leith Walk, Edinburgh 01-222 4444	Windsor Unit Trust Managers Ltd 100 Wood Street, London EC2 01-489 4321	Colonial Life Insurance PLC 25 St James's St, London W1P 0AP 01-499 5954	Colonial Medical Group 25 St James's St, London W1P 0AP 01-499 5954	Family Assurance Society 110 West Gate, Glasgow G2 2PA 041-339 4442	NIJ Standard Life Assur. Ltd (G) 100 Wood Street, London EC2 01-489 4321	Liberty Life Assurance Co Ltd 100 Wood Street, London EC2 01-489 4321	Met. British Assurance Co Ltd 100 Wood Street, London EC2 01-489 4321
Scottish Life Investments Ltd 112 Leith Walk, Edinburgh 01-222 4444	Windsor Unit Trust Managers Ltd 100 Wood Street, London EC2 01-489 4321	Colonial Life Insurance PLC 25 St James's St, London W1P 0AP 01-499 5954	Colonial Medical Group 25 St James's St, London W1P 0AP 01-499 5954	Family Assurance Society 110 West Gate, Glasgow G2 2PA 041-339 4442	NIJ Standard Life Assur. Ltd (G) 100 Wood Street, London EC2 01-489 4321	Liberty Life Assurance Co Ltd 100 Wood Street, London EC2 01-489 4321	Met. British Assurance Co Ltd 100 Wood Street, London EC2 01-489 4321

INSURANCES

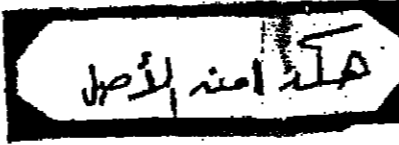
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FT UNIT TRUST INFORMATION SERVICE

Main table of financial data with columns for company names, fund names, and numerical values. Includes various sections like 'UNIT TRUST INFORMATION SERVICE' and 'OFFSHORE AND OVERSEAS'.

OFFSHORE AND OVERSEAS

MANAGEMENT SERVICES



FT UNIT TRUST INFORMATION SERVICE

LONDON SHARE SERVICE

Handwritten note: "مكتبة" (Library)

FT UNIT TRUST INFORMATION SERVICE table containing columns for Fund Name, Investment Objective, and various performance metrics.

BRITISH FUNDS table with columns for Fund Name, Investment Objective, and performance data. Includes sub-sections for 'Shorts' (lives up to five years) and 'Five to Fifteen Years'.

BRITISH FUNDS - Contd table continuing the list of funds and their performance metrics.

FOREIGN BONDS & RAILS table listing international investment options and their performance.

Money Market

Trust Funds

Money Market Bank Accounts

Money Market

Bank Accounts

Money Market

Bank Accounts

Notes and disclaimers regarding the data provided in the tables, including references to the FT Unit Trust Information Service and the London Share Service.

LONDON SHARE SERVICE

AMERICANS - Contd

Table with columns: 1987/88, Stock, Price, Div, Yield, etc. Lists various American companies like IBM, General Electric, etc.

CANADIANS

Table with columns: 1987/88, Stock, Price, Div, Yield, etc. Lists various Canadian companies like Alcan, Inco, etc.

BANKS, HP & LEASING

Table with columns: 1987/88, Stock, Price, Div, Yield, etc. Lists various banks and leasing companies like Citicorp, etc.

BEERS, WINES & SPIRITS

Table with columns: 1987/88, Stock, Price, Div, Yield, etc. Lists various beverage companies like Heineken, etc.

BUILDING, TIMBER, ROADS

Table with columns: 1987/88, Stock, Price, Div, Yield, etc. Lists various construction and infrastructure companies like Bovis Lend Lease, etc.

BUILDING, TIMBER, ROADS

Table with columns: 1987/88, Stock, Price, Div, Yield, etc. Lists various construction and infrastructure companies like Bovis Lend Lease, etc.

CHEMICALS, PLASTICS

Table with columns: 1987/88, Stock, Price, Div, Yield, etc. Lists various chemical and plastic companies like ICI, etc.

DRAPERY AND STORES

Table with columns: 1987/88, Stock, Price, Div, Yield, etc. Lists various retail and drapery companies like Debenhams, etc.

DRAPERY AND STORES - Contd

Table with columns: 1987/88, Stock, Price, Div, Yield, etc. Lists various retail and drapery companies like Debenhams, etc.

ELECTRICALS

Table with columns: 1987/88, Stock, Price, Div, Yield, etc. Lists various electrical companies like British Telecom, etc.

ENGINEERING

Table with columns: 1987/88, Stock, Price, Div, Yield, etc. Lists various engineering companies like BAE Systems, etc.

ENGINEERING - Contd

Table with columns: 1987/88, Stock, Price, Div, Yield, etc. Lists various engineering companies like BAE Systems, etc.

ENGINEERING - Contd

Table with columns: 1987/88, Stock, Price, Div, Yield, etc. Lists various engineering companies like BAE Systems, etc.

FOOD, GROCERIES, ETC

Table with columns: 1987/88, Stock, Price, Div, Yield, etc. Lists various food and grocery companies like Unilever, etc.

HOTELS AND CATERERS

Table with columns: 1987/88, Stock, Price, Div, Yield, etc. Lists various hotel and catering companies like Whitbread, etc.

INDUSTRIALS (Misc.)

Table with columns: 1987/88, Stock, Price, Div, Yield, etc. Lists various industrial companies like British Petroleum, etc.

INDUSTRIALS (Misc.) - Contd

Table with columns: 1987/88, Stock, Price, Div, Yield, etc. Lists various industrial companies like British Petroleum, etc.

INDUSTRIALS (Misc.) - Contd

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Table with columns: 1987/88, Stock, Price, Div, Yield, etc. Lists various industrial companies like British Petroleum, etc.

INDUSTRIALS (Misc.) - Contd

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Handwritten note: 10/11/88

LONDON SHARE SERVICE

INSURANCES - Contd. Table listing various insurance companies and their share prices.

PAPER, PRINTING, ADVERTISING - Contd. Table listing companies in the paper and printing industry.

TEXTILES - Contd. Table listing textile manufacturing companies.

TRUSTS, FINANCE, LAND - Contd. Table listing financial and trust companies.

OIL AND GAS - Contd. Table listing oil and gas companies.

MINES - Contd. Table listing mining companies.

LEISURE Table listing leisure and entertainment companies.

PROPERTY Table listing real estate and property companies.

TOBACCO Table listing tobacco companies.

TRUSTS, FINANCE, LAND Table listing financial and trust companies.

OVERSEAS TRADERS Table listing international trading companies.

MISCELLANEOUS Table listing various other companies.

MOTORS, AIRCRAFT TRADES Table listing automotive and aircraft companies.

PROPERTY Table listing real estate and property companies.

TRUSTS, FINANCE, LAND Table listing financial and trust companies.

PLANTATIONS Table listing plantation companies.

MINES Table listing mining companies.

THIRD MARKET Table listing companies traded on other exchanges.

COMMERCIAL VEHICLES Table listing commercial vehicle companies.

PROPERTY Table listing real estate and property companies.

TRUSTS, FINANCE, LAND Table listing financial and trust companies.

FINANCE, LAND Table listing financial and land companies.

MINES Table listing mining companies.

THIRD MARKET Table listing companies traded on other exchanges.

COMPONENTS Table listing component manufacturing companies.

PROPERTY Table listing real estate and property companies.

TRUSTS, FINANCE, LAND Table listing financial and trust companies.

FINANCE, LAND Table listing financial and land companies.

MINES Table listing mining companies.

THIRD MARKET Table listing companies traded on other exchanges.

CORPUS AND DISTRIBUTORS Table listing distribution companies.

PROPERTY Table listing real estate and property companies.

TRUSTS, FINANCE, LAND Table listing financial and trust companies.

FINANCE, LAND Table listing financial and land companies.

MINES Table listing mining companies.

THIRD MARKET Table listing companies traded on other exchanges.

NEWSPAPERS, PUBLISHERS Table listing newspaper and publishing companies.

PROPERTY Table listing real estate and property companies.

TRUSTS, FINANCE, LAND Table listing financial and trust companies.

FINANCE, LAND Table listing financial and land companies.

MINES Table listing mining companies.

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MINES Table listing mining companies.

THIRD MARKET Table listing companies traded on other exchanges.

Stock Exchange listing clarifications and notes regarding company performance and financial data.

REGIONAL & IRISH STOCKS Table listing regional and Irish stock prices.

TRADITIONAL OPTIONS Table listing traditional options and their rates.

Table listing various financial data and market indicators.

LONDON STOCK EXCHANGE

Buyers for Gilt-edged but equity gains reversed as initial support fades away

Account Dealing Dates table with columns for First Dealing, Last Dealing, and Account Dealing.

THE UK securities markets moved towards the Easter holiday in a mood of subdued confidence behind the steady trend of the US dollar. Equities tried to respond to the overnight improvement on Wall Street but were finally overborne by sheer lack of interest as the institutions began to close down ahead of the extended weekend break.

For most of the day, traders had little to occupy themselves with except their plans for the Easter weekend. There was some support for the gilt-edged market, however. Overnight demand for UK Gilts from Japan brought a firm opening and buoyancy was maintained by Continental European buyers during the early part of the day.

Early trading saw the equity market advance by around 10 FT-SE points, although the buyers were mostly market trading houses picking up stock to meet recent selling orders. Traders are unwilling to leave such commitments open over the long weekend.

The short end was dominated by the redemption yesterday of £1.35bn index-linked 2 1/2 per cent Treasury '88 stock. Recognising the shortage of stock resulting from this redemption, the Bank announced that two new tranches of existing stocks would be available to marketmakers this morning.

However, the absence of genuine investment interest caught up with share prices after lunch, when the market turned off and remained so even after speculation of a slow start on Wall Street proved wrong. The London market ended in a despondent mood, ignoring the gain of 11 points then showing on the Dow Industrial Average.

Standard Chartered gave the entire equity market, as well as its own shareholders, a major boost by maintaining the dividend and, for the time being at least, passing on the rights issue. After the announcement of a preliminary loss of £273.5m, Standard shares raked up to 465p bid at one point before ending the session a net 5 higher at 448p.

British Aerospace followed up with confirmation of a higher payout, with its generally unimpressive trading figures offset by the strongly favourable reception in the City for the terms of Aerospace's intended purchase of Rover, the UK car group.

Other cities were relatively quiet but the upturn in crude oil prices, Bahrain was aggressively bought ahead of the April 7 preliminary results for which the forecast range is between \$56m and \$73m against the previous \$55.2m.

FINANCIAL TIMES STOCK INDICES table with columns for Government Secs, Fixed Interest, Ordinance, Gold Mines, Div. Div. Yield, P/E Ratio, SEAG Bargains, Equity Turnover, and Shares Traded.

Opening 1409.7, 10 a.m. 1410.3, 11 a.m. 1407.6, 12 p.m. 1404.7, 1 p.m. 1404.1, 2 p.m. 1404.1, 3 p.m. 1401.0, 4 p.m. 1399.7

Day's High 1410.8, Day's low 1398.1

LONDON REPORT AND LATEST SHARE INDEX: TEL. 0898 123001

sure the banks into lowering their rates. Lloyds were 5 down at 268p on turnover of 2.3bn shares but dealers were again aware of substantial buying interest in the stock much of which was carried out via the inter-broker dealing screens. In commodities GRE were a shade off at 88p, after reworking figures in line with estimates. A stock shortage was said to have been responsible for boosting Sun Alliance 10 to 84p.

higher at 226p; the initial demand was fuelled by stories that Next was seeking to buy the BHS division of the group and that Woolworth was keen on purchasing the Mothercare side of the business. Dealers also reported strong traded options business in Storehouse as well as persistent speculative demand. Talk of a bear squeeze lifted Dixons 3 to 176p with 1.6m shares traded.

News of the agreed merger with France's Sema-Metra computer software group to be carried out via a share exchange offer boosted CAP Group 8 to 200p. The bid values Sema-Metra at almost \$94m and created a company with combined turnover of \$240m a year. Elsewhere, Anglo Irish continued to attract strong support and closed a further 7 higher at 134p. Magnet attracted speculative support on takeover hopes and gained 12 to 230p.

holding in the company to just over 16 per cent. A quiet trading session in the International stocks left the majority of quotations with little alteration on the day. Bechams, still reflecting the more favourable prospects for its heavy drug demand in the early dealings and touched 46p before drifting back to close unchanged on balance at 46p.

Wellcome, up sharply in the previous trading session on the proposed ADR facility in the US, ran into profit-taking and reacted 9 to 452p. Rank Organisation, in contrast, responded firmly to news of the US video deal, with a rise of 12 at 697p; Rank has agreed to buy the entire video duplication operations jointly owned by Bell and Howell. Columbia Pictures Entertainment Inc. and Gulf and Western's Paramount Pictures Corporation. Bid hopes continued to sustain Norcor, up 6 further at 417p while speculative demand left Siebe 12 to the good at 332p. Associated British Ports, scheduled to reveal preliminary figures next Thursday, made further headway and closed 11 to the good at 518p. Satisfactory annual results prompted a rise of 34 to 383p in Bowater. ML Laboratories, dealt in on the Third Market, jumped 25 to 213p following the group's progress report on its toxicity studies.

Leading Properties traded quietly and showed little overall change. Elsewhere, Regentcrest met with fresh speculative support and pot on 6 to 112p, a two-day rise of 12, while Clarke Nickolls & Coombes gained 7 to 107p following the good annual results. Power Corporation made fresh progress in the wake of the preliminary figures and proposed rights issue to close 6 higher at 116p.

Traded Option activity waned, the total number of contracts falling to 23,188. The FTSE contract registered just 719 calls and 1,708 puts with the near-month series the most popular. British Aerobics space recorded 3,890 calls and 1,250 puts in the wake of the annual results and the conditional agreement with the Government for the takeover of Rover Group.

FT - ACTUARIES INDICES

These Indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

Table with columns for EQUITY GROUPS & SUB-SECTIONS, Wednesday March 30 1988, and various indices.

FIXED INTEREST

Table with columns for PRICE INDICES, Wed Mar 30, Day's change, and various interest rates.

LONDON TRADED OPTIONS

Table with columns for CALLS, PUTS, and various stock options.

TRADING VOLUME IN MAJOR STOCKS

Table with columns for Stock, Volume, and various major stocks.

LONDON RECENT ISSUES

Table with columns for Issue, Price, and various recent issues.

RISES AND FALLS YESTERDAY

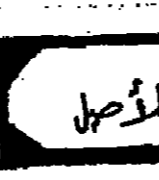
Table with columns for British Funds, Rises, Falls, and various market movements.

FIXED INTEREST STOCKS

Table with columns for Issue, Price, and various fixed interest stocks.

"RIGHTS" OFFERS

Table with columns for Issue, Price, and various rights offers.



WORLD STOCK MARKETS

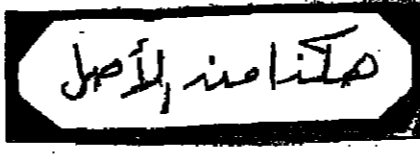


Table with columns for 'MARKET', 'Stock', 'High', 'Low', 'Last', 'Change'. Includes sections for 'AMSTERDAM', 'BRUSSELS', 'FRANKFURT', 'LONDON', 'PARIS', 'STOCKHOLM', 'ZURICH'.

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NEW YORK STOCK EXCHANGE COMPOSITE CLOSING PRICES

Main table containing stock prices for various companies, organized in columns with headers for stock names, prices, and changes.

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NYSE COMPOSITE CLOSING PRICES

AMEX COMPOSITE CLOSING PRICES

Table of NYSE Composite Closing Prices. Columns include Stock, Price, Change, and Volume. Includes sub-sections like 'Continued from Page 44' and 'Over-the-Counter'.

Table of AMEX Composite Closing Prices. Columns include Stock, Price, Change, and Volume. Includes sub-sections like 'Over-the-Counter' and 'Nasdaq national market, 5pm prices'.

OVER-THE-COUNTER Nasdaq national market, 5pm prices

Table of Over-the-Counter prices. Columns include Stock, Price, Change, and Volume. Includes sub-sections like 'Nasdaq national market, 5pm prices' and 'Over-the-Counter'.

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